

**Conflicts of Interest Policy**

**Approved on: 25 January 2023**

**Minute Reference: C24/23**

**Contents**

# 1 [Preamble](#preamble)

2 [Scope](#scope)

3 [Definitions](#definition)

4 [Policy Statement](#policy)

5 [Roles and Responsibilities](#roles)

6 [General Principles](#principles)

7Potential Conflicts of Interest Situations

8 [Legal and Policy Framework](#legal)

9 [Linkage to Corporate Plan](#corporate)

10 [Impact Assessment](#assessment)

11 [Communication, Support and Training](#communication)

12 [Risk Assessment](#risk)

13 [Monitoring, Review and Evaluation](#monitoring)

14 [Policy Details](#details)

15 [Document Control](#version)

# Preamble

## Derry City and Strabane District Council are committed to addressing the issue of conflicts of interest and therefore this policy seeks to ensure that conflicts of interest are identified and managed in a way that safeguards the integrity of staff and maximises public confidence in the Council’s ability to deliver public services properly.

## All Council officers are expected to observe the highest standards of conduct and should at all times be guided by the Code of Conduct for Local Government employees. The aim of this policy is to support officers in meeting their obligations set out within the Code of Conduct.

## This policy brings together existing best practice policies and provides guidance on potential conflict of interest situations that may be encountered by Council officers.

## This policy does not apply to Elected Members, as they are bound by their own Code of Conduct issued by the Department of the Environment (DOE).

## It is important to have clear policy and guidance in this area as an officer’s private interests may have the potential for allegations of impropriety or partiality to be sustained thereby bringing the Council into disrepute. This policy should protect Council officers from criticism and misunderstanding and protect the Council from allegations of wrongdoing or bias. Compliance with this policy will help the Council demonstrate good governance and transparency.

## This ‘Conflicts of Interest Policy’ underlines the importance of managing the risk of conflicts of interest properly and serves a dual process. It:

## Clearly sets out the Council’s commitment to the effective management of conflicts of interest; and

## Provides a framework for dealing with such conflicts in a consistent and transparent manner.

## **Purpose**

## The purpose of this policy is to ensure that actual, potential or perceived conflicts of interest are identified and managed in a way that safeguards the integrity of staff and maximises public confidence in the Council’s ability to deliver public services properly.

## This policy seeks to provide clear and simple advice and should also help staff in key positions to recognise when they have an actual, potential or perceived conflict of interest and how they should act when such a situation arises.

# Scope

## This policy applies to all Council Employees (temporary, permanent, part time, full time and previous) and any agency staff, volunteers or consultants undertaking Council work. It also applies to those contractors working for the Council on Council premises.

# Definitions

**Conflict of Interest**

## “A conflict of interest involves a conflict between the public duty and the private interest of a public official in which the official’s private-capacity interest could improperly influence the performance of his/her official duties and responsibilities.”

## A conflict of interest can also be perceived.

## A perceived conflict of interest exists where it could be perceived, or appears, that private-capacity interests could improperly influence the performance of a public official’s duties and responsibilities. It may pose no actual risk to the conduct of public business, but it requires proper management in order to minimise the risk of reputational damage both to the organisation and the individual(s) concerned.

## A perception of a conflict of interest can be just as significant as an actual conflict of interest. The key issue is whether there is a risk that a fair-minded outside observer, acting reasonably, would conclude that there is a real possibility of bias.

**Whose Interest?**

## The interest in question need not be that of the employee themselves, it can also include the interests of close relatives or friends and associates who have the potential to influence the employee’s behaviour.

## As a benchmark a ‘close relative’ would usually refer to the individual’s spouse or partner, children (adult and minor), parent, brother, sister, in-laws and the personal partners of any of these. For other relatives it is dependent upon the closeness of the relationship and degree to which the decisions or activity of the public entity could directly or significantly affect them. Where an individual has to declare interests of this nature they may wish to seek advice from a senior manager or the Chief Executive to ensure that all potential conflicts are identified.

## A ‘friend or associate’ should be considered as someone with whom the individual has a longstanding and/or close relationship, socialises with regularly or has had dealings with which may create a conflict of interest.

# Policy Statement

4.1 Council employees are expected to conduct themselves with integrity and honesty in carrying out their duties and must provide the highest possible standard of service to the public.

4.2 Responsibility is placed on every member of staff for disclosing to an appropriate manager or officer of the Council every actual, potential or perceived conflict of interest in which he/she may be involved. In general employees’ private interests must not be such as to have the potential for allegations of impropriety or partiality to be sustained thereby bringing the Council into disrepute. Employees should not misuse their official position or information acquired in their official duties to further their private interest or those of others.

# Roles and Responsibilities

## **Declaration of Interest Forms**

## All Council employees are required to complete a declaration of interests form. This will allow the organisation to identify when a conflict may arise and plan how to manage it. All staff must ensure that any new actual, potential or perceived conflicts of interest are declared immediately and any changes to their declarations are recorded as and when they arise. Regularly updating this declaration will remind employees that they must guard against conflicts that may arise as a consequence of their employment.

**Register of Interest**

5.4 Declaration of interest forms should be compiled into a ‘Register of Interests’ and retained by the Lead Assurance Officer. The register enhances transparency within the organisation and is a useful tool to help individuals and managers identify conflicts at an early stage and take the necessary steps to manage them. The register should be kept up to date as and when new conflicts are declared.

5.5 The Register of Interests should record the following information for each conflict of interest:

• Name of the employee;

• Detail of conflict;

• As assessment of the situation;

• How the matter was resolved or how the risk was reduced/eliminated; and

• Any action taken by the organisation.

5.6 The Chief Executive and the Directors will review their relevant registers at least annually. Evidence of this review should be documented and retained. An Internal Audit of compliance with this Policy is included in the most recent Audit Needs Assessment.

5.7 Officers should be aware that the registers may be released under the Freedom of Information Act.

**Disclosing a conflict of interest**

5.9 Council officers must be open and transparent about any overlap between their official role and private interests and must fully disclose any such conflict of interest to the organisation. This allows others with suitable expertise to determine whether an actual, potential or perceived conflict of interest exists, to assess its seriousness and to decide on any action needed to manage it.

5.10 In addition to the annual declaration of interests and notification of changes as they arise, conflicts of interest should also be declared where they arise in specific settings. For example tender evaluations, recruitment processes, committee meetings etc.

5.11 A declaration of interests form should be completed as part of the appointment process for all council employees. A declaration of interests section should be included in job application packs, enabling the interview panel to review this information. This allows the conflict to be explored to determine how it might affect the individual’s ability to contribute effectively and impartially to the role and how the conflict may be handled following appointment. If the interview panel regards the conflict as so serious that impartiality and integrity could not be assured, the individual’s application may be deemed ineligible.

**Managing conflicts of interest**

5.13 When an actual, potential or perceived conflict of interest has been identified, organisations must carefully consider what action, if any, needs to be taken to adequately avoid or mitigate the associated risks. The seriousness of the conflict, as well as the range of options available to manage or monitor it, must be assessed.

5.14 As and when conflicts of interest are declared they will be reviewed by the relevant Lead Officer / Head of Service / Director or the Chief Executive to establish what action, if any, needs to be taken. When an individual reports an interest, management must consider how it should be dealt with. Questions to be answered include:

• Could the council employee’s family of friends gain from his/her connection to the Council?

• How is the declared interest likely to be perceived externally?

• Council the declared personal interest damage the reputation, impartiality or integrity of the Council?

• Is there a possibility that the declared interest might influence decision making by the employee or others?

5.15 There are different options for managing conflicts of interest including the following:

• Register

• Restrict

• Recruit

• Remove

• Relinquish

• Resign

**Breaching the Conflicts of Interest Policy**

5.17 All employees are required to comply with this policy and failure to do so may result in a range of consequences for both the individual concerned and the organisation including the following:

Individual

• Embarrassment

• Disciplinary action

• Being subject to an internal or external enquiry

• Loss of employment

• Criminal prosecution

Organisation

• Reputational damage

• Loss of public trust

• Being subject to an external inquiry

• Legal action

# General Principles

* 1. Staff are expected to conduct themselves with integrity, impartiality and honesty. Their private interests should not be such as to have the potential for allegations of impropriety or partiality to be sustained thereby bringing the Council into disrepute. In particular, attention is drawn to the following examples of situations where potential conflicts of interest can occur.

# Potential Conflicts of Interest Situations

## **Relationships with Elected Members**

## Employees are responsible to the Council through its senior managers and in many cases in carrying out their duties they also give advice to Elected Members. Mutual respect between employees and Elected Members is essential to good local government. Close personal familiarity between employees and individual Elected Members can damage this relationship and prove embarrassing to other employees and Elected Members and should therefore be avoided.

## Employees should deal with Elected Members in a polite and efficient manner.

## They should not approach nor attempt to influence Elected Members out of personal motives and should report to an appropriate manager if a councillor attempts to pressurise them to deal with a matter outside of Council procedure or policy.

## **Contact with the Local Community and Service Users**

## The community and service users have a right to expect a high standard of service from the Council. Employees have a responsibility to the community they serve and should ensure courteous, effective and impartial service delivery to all groups and individuals within the community.

## **Relationships with Contractors, Planning Applicants and those applying for Council Grant**

## All relationships with external contractors or potential contractors or applicants for planning consent or grant must be made known to the appropriate manager. Similarly any beneficial interest or licence in respect of land which is affected by a planning application must be made known to the appropriate manager.

## Orders and contracts, grants and planning decisions must be decided in compliance with Council procedures. There should be no special favour shown in the tendering process to any businesses or potential suppliers particularly those run by, for example, friends, persons to whom the employee owes (or is owed) an obligation, partners or persons where a family relationship is deemed to exist. No part of the local community should be discriminated against.

## On occasions, employees will have or had a private or domestic relationship with contractors, planning applicants or those applying for Council grants. Employees should declare that relationship as soon as they become aware of it when carrying out their role for the Council.

## Employees must not accept money or any other reward from anyone who may benefit from work or funding provided by the Council. To do so would be corrupt.

## **Bribery & Corruption**

## Under the Bribery Act 2010 it is a serious criminal offence to:

## Offer, promise or give someone a reward to induce them to perform their functions or activities improperly.

## Accept, agree to accept or request a reward in return for performing a relevant function or activity improperly.

## Bribe a foreign public official in order to win business, keep business or gain business advantage for the organisation.

## More detail on this can be found in the Anti-Bribery section of the Council’s Counter Fraud, Raising Concerns and Anti Bribery Policy.

## **Political Activity**

## Employees must follow every lawful expressed policy of the Council and must not allow their own personal or political opinions to interfere with their work. While the Council recognises and respects the rights of all employees to hold personal or political opinions; employees should ensure that the expression of those opinions does not constitute a conflict of interest for their role within the Council. Employees who have concerns about where there is a potential conflict of interest should raise the matter with their Line Manager.

## **Appointments and other employment matters**

## Employees involved in appointments should at all times act in accordance with the Local Government Staff Commission’s Code of Procedures on Recruitment and Selection (Code of Procedures).

## The Code of Procedures at Stage 2 - Composition of Panels states:

## "Responsibility is placed on every panel member to disclose to an appropriate manager or officer of the council where potential conflict of interest may be present, for example partners or persons where a family relationship is deemed to exist."

## And

## "Where a potential conflict of interest exists, the issue is not about satisfying the conscience of the individual. Public perceptions and also those of other candidates must be considered and, in such cases, it may be appropriate for the individual to withdraw from the recruitment exercise."

##  Similarly, employees should not be involved in decisions in relation to discipline, promotion or pay adjustments for any other employee who is a friend, partner or person where a family relationship is deemed to exist.

## **Outside Commitments**

## An employee must not subordinate their duty to the Council to their private interests or put themselves in a position where duty and private interests conflict. It is not the objective of Council to attempt to preclude officers from undertaking additional employment outside their hours of duty. However, any such employment must not, in the view of the Council, conflict with or be detrimental to the Council’s interests, or in any way weaken public confidence in the conduct of the Council’s business.

## Employees should dedicate their whole-time service to the work of the Council and shall not engage in any other business or take up any other additional appointment without the express consent of the Council. Where an officer wishes to engage in other business or take up additional appointments they must seek permission of the Council and act at all times in accordance with any contractual obligations in this respect. Additional appointments must be approved by the relevant Lead Officer, Head of Service, Director or Chief Executive.

## **Personal Interests**

## Employees should review regularly their personal circumstances and take steps to deal with any potential conflict of interest. Employees must declare to their line manager any financial or non-financial interests that they consider could bring about conflict with the Councils interests, for instance:

## Membership of an organisation receiving grant aid from the council;

## Membership of an organisation or pressure group which may seek to influence the Council’s policies;

## Membership of an organisation which may seek to influence the performance of an employee in carrying out their duties; and

## Having a beneficial interest in land which is within the Council’s district and is subject to any planning application.

## Employees who have an interest, financial or non-financial, should not involve themselves in any decision or allocation of Council services.

## The Council recognises and respects the right of all employees to become members of organisations. It only requires that employees declare personal interests where there is, or could be perceived to be, a conflict of interest between their duties as an employee and their membership of the organisation.

## **Tendering**

## Employees involved in the tendering process and dealing with contractors should be clear on the separation of client and contractor roles within the Council. Senior employees who have both a client and contractor responsibility must be aware of the need for accountability and openness.

## Employees must exercise fairness and impartiality when dealing with all customers, suppliers, other contractors and sub-contractors. Employees who are privy to confidential information relating to the tendering process should not disclose that information to any unauthorised party or organisation.

## Employees should ensure that in awarding contracts, no special favour is shown to any person or company. It should be noted that all council staff, sitting on tender evaluation panels must sign a declaration to indicate that they have acted in accordance with the Code of Conduct and acted fairly and equitably and that they are aware of no conflicts of interest that could influence their ability to be or to be seen to be impartial in the tendering process.

## **Preventing Conflicts of Interest**

## Derry City and Strabane District Council aims to prevent conflicts of interest arising in the first place and therefore in order to do this encourage officers not to:

## Have any involvement in any decision that could lead to financial gain or benefit to an individual, a relative or close friend;

## Have any involvement in any decision that could lead to the appointment of a relative or friend;

## Have any involvement in, or influence, the award of a contract or grant where the Council Officer is connected to any of the tenderers or applicants;

## Carry out business on behalf of the organisation with their own or a relative’s company;

## Own shares in, or work for, organisations that have dealings with the Council; and

## Accept gifts and hospitality in connection with their official role which is not in compliance with the Council’s Gifts & Hospitality Policy.

#  Legal and Policy Framework

## The main aim of the policy is to promote high standards in public life and especially to follow the key characteristics of propriety as defined in the ‘Seven Principles of Public Life’ known as the Nolan Principles. These seven principles underpinning public life are: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty and Leadership.

## The Code of Conduct for Local Government Employees will assist in the implementation of or compliance with this policy.

# Linkage to Corporate Plan

## The Conflicts of Interest Policy is part of the architecture of good governance which is linked to all four corporate plan improvement objectives.

# Impact Assessment

## **Equality Screening**

## There are no implications arising from this report.

## 10.3 The policy has been screened out for equality purposes.

**10.4 Rural Needs Impact Assessment**

10.5 There are no implications arising from this report.

## **Impact on staff and financial resources**

## There are no implications arising from this report.

## **10.8 Climate change / Sustainable development**

## 10.9 There are no implications arising from this report.

## **Other impacts**

## 10.11 There are no implications arising from this report.

#  Communication, Support and Training

## All Council Workers, agency staff and consultants will be provided with a copy of this policy. Staff will be advised if further information is required in relation to the policy to contact the Lead Assurance Officer and/or the Assurance Manager for advice and guidance. Training will also be delivered in relation to this policy. The Policy will be available on the Council’s website.

#  Risk Management

## Failure to effectively implement this policy increases the risk of the Council not achieving the highest possible standards in terms of openness, probity and accountability. This in turn increases the risk of problems being overlooked or the concern being directed to the media or other external bodies. This policy will be monitored regularly to ensure that it is being implemented.

# Monitoring, review and evaluation

## This Policy will be reviewed in 2026 by the Lead Assurance Officer and/or the Assurance Manager.

# Policy Details

|  |  |
| --- | --- |
| **Document Number** |  |
| **Responsible Officer** | Lead Assurance Officer |
| **Contact Officer** | Lead Assurance Officer02871 253 253 |
| **Approval** | Assurance, Audit & Risk Committee |
| **Effective Date** | 01.02.23 |
| **Modifications** |  |
| **Superseded Documents** |  |
| **Review Date** | 01.02.26 |
| **File Number** |  |
| **Associated Documents** |  |

# Amendments / Version Control

|  |  |  |  |
| --- | --- | --- | --- |
| Version | Description | Author | Date |
| V0.1 | Changes to text | Lead Assurance Officer | 2016 |
| V0.2 | Changes to text | Lead Assurance Officer | 2019 |
| V0.3 | Changes to text | Lead Assurance Officer | 2022 |

­­



**This information is available upon request in a number of formats including large print, Braille, PDF, audio formats (CD, MP3, DAISY) and minority languages.**

**For further information on alternative formats please contact**

**Tel 028 71 253253**

**e-mail** **equality@derrystrabane.com**