

## **APPENDIX B**

# **Conflict of Interest Policy**

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## **1 Purpose**

- 1.1 As an employer, Haringey starts from a position of trusting the professionalism of the staff it employs, and this trust underlies any attempt to handle questions which raise potential conflicts of interest. Yet the damage to the reputations of individuals and the Council caused by conflicts of interest could be considerable. The purpose of this Conflict of Interest policy is to protect Haringey Council and its employees, agency workers, self-employed contractors or any workers against conflicts of interest and allegations of impropriety, providing a robust and well understood framework for managing, and dealing with, conflicts of interest. It is in line with the seven principles of Standards in Public Life established by the Nolan Committee.

The policy sets out the council's responsibilities in relation to maintaining a register of the Declarations of Conflict of Interests and also establishes the council's expectations of its employees, agency workers and contractors where a conflict of interest, or a perceived / potential conflict of interest, arises.

If there is, or is likely to be, a conflict then this policy sets out a process so that reasonable steps can be taken to protect Haringey Council's interests and to protect the employee, agency worker or contractor from challenge or allegations of wrongdoing or bias. Compliance with this policy helps the Council demonstrate good governance and transparency.

Details of the Council's policy relating to acceptance of Gifts and Hospitality is given in Appendix 5 of the Anti-Fraud and Corruption Strategy & Policy which can be found on the HR intranet page.

## **2 Scope**

- 2.1 The Conflict of Interest Policy applies to all council employees, agency workers and contractors working within the council. It does not apply to teachers directly employed by the council, nor to staff appointed by schools operating under local management of schools, which operate under their own conventions.

For employees, this policy operates in conjunction with the Employees' Code of Conduct and the Disciplinary Policy and Practice Notes.

## **3 Definitions used in this Policy**

In this policy a “relevant person” means a spouse, partner, friend, relative, business or business associate of the employee, agency worker or contractor.

A “relative” is taken to mean either a blood relative of the employee, agency worker or contractor or their sister, brother, mother, or father-in-law, a relative through an adoptive relationship or relatives of their partner.

“Business” means any company, partnership, directorship or other business arrangement in which the individual has an interest, whether in the form of shares, dividends, bonds, or otherwise and where the value of that interest exceeds 5% of the value of the business. Business also includes any business in which the employee is employed.

“Business Interest” and “business relationship” shall be construed accordingly.

“Business Associate” means a person with whom the employee has a business relationship.

## **4 What is a Conflict of Interest?**

“A conflict of interest involves when a person has a public duty and a private interest (employee, worker or contractor outside work) in which the individuals private-capacity interest could improperly influence the performance of their official duties and responsibilities.”

- 4.1 A conflict of interest can also be perceived and this can be just as significant as an actual conflict of interest. A perceived conflict of interest exists where it could be perceived, or appears, that private-capacity interests could improperly influence the performance, duties and responsibilities of an employee, a worker or a contractor. 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 to the organisation and the individual(s) concerned.
- 4.2 The contract of employment imposes a duty on the employee not to act in a way that is contrary to the interests of the Council, and not to allow their own personal interests or those of other relevant persons to come into conflict with their employment.

If the employee, agency worker or contractor or other relevant person either has -

- Paid work in addition to their contract with the Council
- Some other financial interest
- Other pecuniary involvement
- A voluntary interest outside work

- Directorship of a company
- Partnership with outside parties

that has the potential to bring the employee, agency worker or contractor (“the individual”) into conflict when carrying out their work at the council, then it must be declared before the contract begins, or as soon as the conflict is recognised during employment or the contract. This declaration must be made by the individual completing and submitting a Declaration form no later than one calendar month of them being made aware of the potential or actual conflict of interest. In most cases however, it will be possible to declare a conflict of interest before entering an arrangement in which it could arise.

#### 4.3 Examples of situations that may cause actual or potential conflict of interest (this list is not exhaustive):

- An employee working in a team responsible for receiving and granting grant applications to local voluntary groups who has also been elected as Treasurer of a group based in Haringey that is making a bid for a council grant. This would give rise to a clear conflict of interest which must be declared to the line manager and a Declaration form completed. If the voluntary work is with an organisation based outside Haringey, then there is no potential conflict as any grant applications made will be considered by another authority.
- If an agency worker is taken on to deal with invoice payments who also works for a locally based company providing a service to the council. If the worker would be responsible for authorising invoice payments to company, then there is a clear conflict of interests that must be declared.
- An employee’s spouse invited to become Chair of Governors of a Haringey maintained school and the employee work in the Governing Body team in Haringey, the line manager must be told and a Declaration form completed. If the school is based in another borough or is an Academy there is no conflict and a declaration would not be required.
- If a member of an employee’s family joins the council on an employment or agency basis, and the employee is managing the team in which the worker is based, there is a clear conflict which must be notified to the manager and a declaration completed. They should not take part in any recruitment or appraisal process. The manager may decide in this situation to either move the worker to another team or to end their contract.
- A close personal relationship develops between the manager and an employee or between any other manager and an employee. The senior manager will need to consider alternative line management arrangements or the operational difficulties that may arise and how these may be managed.

- An employee requests permission to take on additional paid work outside their contracted working hours. For example, an employee asks to take on additional work on two evenings a week. Providing that the total number of hours worked across both jobs is less than 48 hours a week, the request can be considered. To do this, a Request for Additional Paid Work must be completed and considered by the manager and submitted to the line manager. Requests that are received from those at, or below, Scale 6, are likely to be agreed as the additional work is unlikely to conflict with their Haringey employment. Requests from all other employees will be considered on a case by case basis.
- Being a Director of a company, whether or not this company has any activity with the council.

The employee, agency worker or contractor should always disclose an activity if they are in doubt about whether it represents a conflict of interest.

## **5 When should a Declaration be made**

Employees and agency workers are responsible for submitting a new Declaration as soon as their circumstances change. A copy of the Declaration of Conflict of Interest form is included at Appendix 1 (Employee) and at Appendix 2 (Agency worker) and is available on the HR Forms page of the intranet.

### **5.1 New employees**

All new employees will be required to complete a Declaration of Conflict of Interest form as part of their pre-employment checks, the Declaration will form part of the Contract of Employment. If a new starter declares a conflict of interest, the details will be added to the Register of Conflict of Interests and the HR Compliance Team will alert the recruiting manager so that the process outlined in Section 7 may be followed.

### **5.2 Agency Workers**

Agency workers and contractors will be required to complete the Declaration as part of the application process. Recruiting Managers are responsible for checking the application documents for potential agency workers which are sent to them on the Matrix system and if the preferred worker has declared a conflict of interest, the line manager should inform the HR Recruitment Team. An informal discussion should be had with the worker, the HR Recruitment Team and the line manager before a decision can be made about whether or not a contract can be offered. Details of conflict of interests declared by agency workers will be available from a report run by Matrix.

### **5.3 Existing employees**

Employees on the Senior Manager pay grades will be asked to complete a new Declaration Form every two years. Details of declared interests will be added to the Register.

Other employees will be reminded every two years to complete a Declaration if their circumstances have changed during the year and they have not already done so.

## **6 Confidentiality**

Confidentiality of information will be maintained at all times. Access to the Register by a third party will only be permitted with the approval of the Chief People Officer and where a legitimate reason for the request is given and/or where the person making the request has a lawful reason to inspect the Register.

## **7 If a conflict of interest, or potential conflict of interest is identified**

### **7.1 Informal Resolution**

Where such an actual or apparent conflict of interest occurs, or is about to occur, the individual must make their line manager aware and take all reasonable steps to prevent the conflict from arising or continuing. This may include resigning from external positions or relinquishing external roles or employment and ensuring that the Declaration form is completed and submitted so that details can be included on the Register.

As soon as the conflict or potential for a conflict of interests is known, the Declaration of Conflict of Interest form must be completed and will be sent automatically to the line manager. The Assistant Director will give the final decision by signing the form (an electronic signature is acceptable) and if a clear conflict is identified, a meeting will be arranged with the individual and with their line manager to explore how the conflict can be resolved. This may include temporarily re-assigning work or withdrawing permission to undertake outside voluntary or paid employment.

### **7.2 Formal Resolution**

If it is discovered that an employee or relevant person has benefited from a decision that the employee has made or been involved with, either on a monetary or pecuniary basis, then it should be fully investigated and may be dealt by the manager as a disciplinary offence in accordance with the Council's Disciplinary Policy and Practice Notes or in accordance with the Anti-Fraud & Corruption Policy and a possible breach of the Employee Code of Conduct.

Criminal sanctions may apply where an abuse of position has occurred or where an employee or a relevant person has gained a pecuniary advantage.

In the event the situation involves an agency worker the Head of HR Talent and Resourcing must be informed before a contract is ended. It may be necessary for HR to inform the agency worker's agency of the conflict.

If a conflict of interest arises for any other category of contractor or worker, a discussion must be arranged with them to determine how best to resolve the situation. If this is not possible, the contract can be ended or the company providing the contractor notified and another contractor appointed. The relevant manager must keep documents relating to the discussion and decision for a period of 2 years.

## **8 Penalty for failing to disclose a conflict or potential conflict of interest**

The Bribery Act 2010 makes it an offence for an employee to give advantage to someone in return for favours in relation to the Council's business.

The Local Government Act 1972 (Section 117) requires that employees notify the authority in writing of any direct or indirect financial interests which they have in any Council contracts, or proposed contracts, of which they become aware. A breach of Section 117 is a criminal offence subject to a fine.

Failure to complete a Declaration of Conflict of Interest form when either -

- It is apparent to the employee, agency work or contract that a conflict of interest has or has the potential to occur
- When requested to do so by a senior manager
- When required to do so by HR as a condition of employment

may result in disciplinary action being taken.

## **9 Undertaking Additional Work**

- 9.1 Council employees must not work for any other organisation or provide services to anyone during the hours when they are contracted to work for the Council unless prior approval of the Assistant Director has been given. This includes both paid work and unpaid voluntary work. Carrying out any additional paid work or unpaid work is not permitted when you are on sick leave or on suspension.
- 9.2 Employees who are graded at Scale 6 or below, will usually be permitted to undertake additional work outside of normal working hours but should seek permission before doing so. However, this work must not conflict with, or act detrimentally on, their paid



work for the Council, or on the wider interests or image of the Council, and they should be aware of their responsibilities under the Working Time Regulations, and for taking rest breaks from work. Anyone above Scale 6 must seek permission before undertaking any work outside their contracted hours by completing the Additional paid work request form.

- 9.3 When the additional work being undertaken comes to an end, the request form must be updated with the end date of the work and resubmitted. A copy of the form is attached at Appendix 3.

## 10 Links to other policies

- Employee Code of Conduct
- Disciplinary Policy & Disciplinary Policy Practice Notes

## Document Control

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## APPENDIX 1

## **Declaration of Conflict of Interests Form (Employee)**

The public is entitled to demand conduct of the highest standard from employees of the Council. Council employees have an obligation to avoid conflicts between their private interests and their duty to the Council, particularly where this could react detrimentally to the Council's interests, or in any way weaken public confidence in the conduct of the Council's business.

This declaration of interests by each employee enables the Council and its employees to avoid unjustified suspicions about individuals' influences and motives. It also provides a publicly recognised system for better maintaining proper standards of conduct and ensuring that there is no impropriety in the Council's internal and external dealings.

The forms will be held in confidence on the employee's personnel file, accessible only by appropriately authorised officers. A summary of all employee interests is also held, confidentially, by the Head of HR Operations.

<b>Your name</b>	
<b>Your job title</b>	
<b>Your line managers name &amp; job title</b>	
<b>Directorate / Service Area</b>	
<b>Details of the external interest</b> Please read the Policy carefully and provide as much detail as possible.	
<b>Your signature &amp; date;</b>  <b>Line manger's signature &amp; date:</b>	
<b>Asst. Director or Director's signature &amp; date</b>	
<b>When authorised please provide a copy of the completed form to Human Resources by uploading the form onto the Halo portal for inclusion in the register</b>	



## **APPENDIX 2**

## **Agency Conflicts of Interests Declaration Form**

### **(Agency Worker & Contractor)**

To provide protection for Haringey Council against conflicts of interest and allegations of impropriety in line with the seven principles of Standards in Public Life established by the Nolan Committee. We are asking you within this form to provide details of any potential conflicts of interest.

“A conflict of interest involves when a person has a public duty and a private interest (employee, worker or contractor outside work) in which the individuals private-capacity interest could improperly influence the performance of their official duties and responsibilities.”

### **Guidance Notes: Completing a Conflicts of Interest Declaration Form**

#### **1.What is a 'Declaration of Conflict of Interest'?**

It is sometimes called a Conflict of Interest. It means that if you or a member of your immediate family (i.e. partner, child, parent or sibling) either has a job, or some financial involvement (, or another outside interest that has the potential to bring you into conflict when carrying out your work at the council, then you must declare it.

#### **2.What type of information do I have to declare?**

Examples of the type of situation that would give rise to a declaration being made are:

- If you are working in an area that gives out grants to local voluntary groups and in your life outside work you are elected as Treasurer of a group based in Haringey that is making a bid for a council grant.
- If your partner works for a locally based company who have won a contract to provide planning advice and expertise to the council and you are responsible for authorising all payments to the partner agencies
- If you are invited to become Chair of Governors at your child's school in Haringey and you work in the Governing Body team in Haringey, you must declare a conflict of interest
- If a member of your family or close friend is assigned to the council on a short-term work placement that you manage.
- If you own a property in Haringey you should consider whether there are any potential conflicts, for example if you are making a planning application or if you are a landlord of the property

- If you own or joint own a property in Haringey and you let it through a Letting Agent in the borough
- If you are the owner or joint owner of a business in Haringey, paying business rates to the council.

This list isn't exhaustive, and we encourage you to declare any potential conflicts of interest.

### 3.Nothing to Declare?

If you have nothing to declare please enter Not Applicable, NA or Nothing to declare as a response is required from everyone.

### 4.Updates to Conflicts of Interest?

Upon joining Haringey or indeed at any time a conflict of interest is identified you must update this form and notify your manager immediately.

<b>Your Name</b>	
<b>Details of Conflicts of Interest Declaration</b>	
<b>Signature</b>	
<b>Date</b>	

## APPENDIX 3

## Additional Paid Work Request

As a Council employee you must not work for any other organisation or provide services to anyone during the hours when you are contracted to work for the Council unless you have prior approval of the Director or Assistant Director. This includes both paid and unpaid voluntary work, neither must you take on any additional paid or unpaid work when you are on sick leave or on suspension.

If you want to take on additional work outside of your normal contracted working hours then you must have the prior approval of your Director or Assistant Director. If you are graded Scale 6 or below, you will usually be permitted to undertake additional work outside of your normal working hours. Such work must not conflict with or act detrimentally with the interests of the Council or your work or impact on the image of the council.

If your circumstance changes any time, it is your responsibility to inform your line manager, as not doing so may render you liable to disciplinary action.

<b>Employee Name:</b>	
<b>Job Title:</b>	
<b>Current grade:</b>	
<b>Type of additional work</b> (Please indicate)	<input type="checkbox"/> Paid <input type="checkbox"/> Voluntary
<b>Details of additional work to be undertaken</b>  Please state the hours to be worked, the regularity and type of work to be undertaken	
<b>Anticipated start date:</b>	
<b>Confirmed end date of additional work</b>	

<b>Directorate/Service Area:</b>			
<b>(Line manager Details)</b> <b>Name and Job Title:</b>			
<b>(Director/Assistant Director)</b> <b>Name and Job Title:</b>			
<b>Request Approved</b> (approval by Director/Assistant Director)		<input type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Not Approved</b>  <b>Other Comments:</b>	
<b>Signature:</b>  <b>Assistant Director / Director</b> (an electronic or written signature is required)			<b>Date:</b>
<b>Employee signature:</b> (an electronic or written signature is required)			<b>Date:</b>
<b>When authorised please provide a copy of the completed form to Human Resources by uploading the form onto the Halo Portal</b>			
<b>(Human Resources Use Only)</b>			
<b>Record on central register</b>		<b>File copy on HR records</b>	

**Notes**