

## Standards of Conduct Policy

(incorporating: Anti-Bribery, Fraud & Corruption, Conflicts of Interest and Company Standards)

### Policy Aims

This policy aims to:

- ensure that matters of employee and board member conduct are managed in a professional and lawful way
- set out the procedures that the LEP will implement in relation to the management of conduct in the workplace
- protect both the LEP and the individuals involved from any appearance of impropriety and demonstrate transparency to the public and other interested parties.

### The Nolan Principles

LEP staff and board members are expected to adhere to the highest standards of governance and propriety.

New Anglia LEP has adopted the Nolan principles as the core of the code of conduct, and board members are therefore expected to adhere these principles, in addition to their responsibilities as company directors.

The seven principles were established by the Committee on Standards in Public Life (CSPL), which provides independent advice to the prime minister on standards of conduct of holders of all public office.

The seven principles are:

**1. Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or material benefits for themselves, their family, or their friends.

**2. Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

**3. Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**4. Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**5. Openness**

Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**6. Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**7. Leadership**

Holders of public office should promote and support these principles by leadership and example.

## **Standards of Conduct Policy Principles**

The Leadership Team will seek to identify and minimise the risk of misconduct (including bribery, corruption, fraud, conflicts of interest and the like) at the earliest possible opportunity.

The LEP will ensure that anyone with influence over decision making is properly inducted into their roles and understand their obligations. It will also establish and maintain registers of interests, and agree in advance how a range of different situations and scenarios will be handled, rather than waiting until they arise.

Any breach of this policy will be regarded as a serious matter and is likely to result in disciplinary action.

## **Data Protection**

Any information provided within the terms of this policy will be processed in accordance with data protection principles as set out in the General Data Protection Regulation (2016/679) and Data Protection Act 2018. Data will be processed only to ensure board members and employees act in the best interests of the LEP. The information provided will not be used for any other purpose.

## **1. Anti-Bribery, Fraud & Corruption**

This section explains the procedures through which the LEP will seek to maintain its high ethical standards and protect its reputation against any allegations of bribery, fraud or corruption. It is communicated to everyone involved in the business to ensure their commitment to it and it applies to all employees and Board members.

### **Definitions**

- Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
- Fraud is a type of criminal activity, defined as 'abuse of position, or false representation, or prejudicing someone's rights for personal gain'. Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party. The general criminal offence of fraud can include:
  - deception whereby someone knowingly makes false representation
  - or they fail to disclose information
  - or they abuse a position.
- Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

### **Our Policy**

It is the LEP's policy to conduct business in an honest way and without the use of corrupt practices or acts to obtain an unfair advantage. The LEP is committed to ensuring adherence to the highest legal and ethical standards. This is reflected in every aspect of the way in which the LEP operates and the stated aim to bring integrity to all dealings.

Bribery, fraud and corruption have the potential to expose the LEP and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the LEP's reputation. The LEP will apply a "zero tolerance" approach to acts of bribery, fraud and corruption.

### **Gifts, Entertainment and Hospitality**

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to the business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

In order to evaluate what is acceptable, the following process will be established:

- what is the intention – is it to build a relationship or is it something else?
- how would this look if these details were on the front page of a newspaper?
- what if the situation were to be reversed – would there be a double standard?

If it is difficult to answer one of the above questions, there may a risk involved which could potentially damage the LEP's reputation and business. The action could well be unlawful.

Circumstances which are never permissible include examples that involve:

- a 'quid pro quo' (offered for something in return)
- gifts in the form of cash/or cash equivalent vouchers
- entertainment of a sexual or similarly inappropriate nature
- gifts offered during the time of a major bid, tender or transaction.

As a general rule, the LEP will not provide gifts to, or receive them from a government official.

Circumstances that are usually acceptable include:

- modest/occasional meals with someone with whom the LEP does business
- occasional attendance at ordinary sports, theatre and other cultural events
- gifts of nominal value, such as pens, or small promotional items.

If an example does not fall under the above categories, it is necessary to seek guidance from a manager.

### **How to Raise a Concern**

Everyone working for the LEP has a responsibility to help detect, prevent and report instances not only of bribery, fraud or corruption, but also of any other suspicious activity or wrongdoing.

The LEP is committed to ensuring that everyone has a safe, reliable and confidential way of reporting any suspicious activity. If anyone has a concern regarding a suspected instance of bribery, fraud or corruption, they are encouraged to report the issue/concern to a manager. If for some reason it is not possible to speak to a manager, a report should be made to the CEO or HR.

In the event that an incident of bribery, fraud, corruption, or other wrongdoing is reported, the LEP will act as soon as possible to evaluate the situation and instigate the appropriate action.

Please refer to the *Whistle Blowing Policy*.

## **2. Conflicts of Interest**

This section explains the procedures through which the LEP will seek to maintain its high ethical standards and protect its reputation against any allegations of conflict of interest. It is communicated to everyone involved in the business to ensure their commitment to it and it applies to all employees and board members.

### **Definition**

A conflict of interest is any situation in which an employee's or a board member's personal interests, or interests that they owe to another body, may (or may appear to owe) influence or affect their decision making.

### **Our Policy**

It is inevitable that conflicts of interest can occur. The issue is not the integrity of the person concerned, but the management of any potential to profit from a person's position as within the LEP, or for them to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the LEP's reputation, so conflicts need to be managed carefully.

Everyone working for the LEP has a legal obligation to act in its best interests and to avoid situations where there may be a potential conflict of interest.

Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the LEP. Such conflicts may create problems; they can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the LEP and
- risk the impression that the LEP has acted improperly.

### **Declaration of Interests**

The LEP requires board members and members of the leadership team to declare their interests, and any gifts or hospitality received in connection with their role in within the LEP. A declaration of interests form is provided for this purpose, listing the types of interest individuals should declare. The declaration of interests will be updated at least annually and also within 28 days of changes occurring.

If a person is not sure what to declare, or whether/when their declaration needs to be updated, they should err on the side of caution and update their declaration.

This declaration of interests will also be used to record all hospitality and gifts of a value over £50 (this is a single item limit, or a cumulative limit for items received from the same person or organisation over a period of 6 months) received by or offered to those working for the LEP.

Interests and gifts and offers of gifts must be recorded on the register of interests, which will be maintained by HR. The register will be accessible by the Leadership Team and board members together with anyone with a statutory entitlement to such access.

### **Recruitment**

The LEP will seek to minimize the potential for conflicts of interest by considering the actual or possible existence of issues when electing or selecting individuals to join the Board, and excluding individuals from this if these issues are too great.

Once recruited new LEP Board members will be required to complete a register of interests form and keep this up to date.

## **Types of Conflict**

Each individual should declare an interest in the following circumstances:

### Direct Financial Interests

A direct conflict of interest arises when an individual involved in taking or influencing the decisions of an organisation could receive a direct financial benefit as a result of the decisions being taken. This may arise as a result of holding an office or shares in a private company or business, or a charity or voluntary organisation that may do business with the LEP.

### Indirect Financial Interests

Indirect financial interest arises when a close relative of an employee, board member or other key person benefits from a decision of the organisation. Individual professionals working for the LEP (and their family members or business partners) may have commercial interests in organisations that the LEP is already purchasing from or that could potentially bid/offer to provide services that the LEP might procure and fund.

The positions which might create real or perceived conflict due to financial interests include:

- directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies)
- ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the LEP
- majority or controlling share holdings in organisations likely or possibly seeking to do business with the LEP
- any connection with a voluntary or other organisation contracting for LEP services
- research funding/grants that may be received by an individual or their department
- interests in pooled funds that are under separate management.

### Non-Financial or Personal Interests

These occur where employees, board members or other key persons receive no financial benefit, but are influenced by external factors such as gaining some other intangible benefit or kudos, for example, through awarding contracts to friends or personal business contacts.

Even if the individuals leading the LEP do not have commercial or other direct interests in particular services or providers, they may have long-standing professional relationships with colleagues to whom they may have allegiances as peers, and with whom they have developed particular ways of working over a period of time.

### Conflicts of Loyalty

Decision-makers may have competing loyalties between the organisation to which they owe a primary duty and some other person or entity. This could include loyalties to a particular professional body, society or special interest group, and could involve an interest in a particular sector or industry due to an individual's own experience or that of a family member.

### **Decisions taken where an Employee has an Interest**

In the event of the board having to decide upon a question in which an employee has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested board members may not vote on matters affecting their own interests.

All decisions under a conflict of interest will be recorded by the minute taker and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

Where an employee benefits from the decision, this will be reported in the annual report and accounts. All payments or benefits in kind to employees will be reported in the company's accounts and annual report, with amounts for each person listed for the year in question.

Where an employee is connected to a party involved in the supply of a service or product to the LEP, this information will also be fully disclosed in the annual report and accounts. Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **Managing Contracts**

If an employee or board member has a conflict of interest, they must not be involved in managing or monitoring a contract in which they have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

### **Notification of Conflicts of Interest**

Where an employee identifies a possible conflict of interest, they should submit a brief written memo to the CEO, setting out:

- name and role
- date
- nature of possible conflict of interest
- value of any material benefit involved

The CEO will request additional information if necessary.

### **Guidance for LEP Board Members**

Board members may, in accordance with the requirements set out in this policy, authorise any matter or situation proposed to them by any board member which would, if not authorised, involve a board member breaching his/her duty under section 175 of the Act to avoid conflicts of interest ("conflict").

1. Any authorisation under this policy will be effective only if:
  - 1.1 the matter in question shall have been proposed by any board member for consideration at a meeting of board members in the same way that any other matter may be proposed to the board members under the provisions of the Articles of Association or in such other manner as board members may determine
  - 1.2 any requirement as to the quorum at the meeting of the board members at which the matter is considered is met without counting the board member in question and

- 1.3 the matter was agreed to without his/her voting or would have been agreed to if his/her vote had not been counted.
2. Any authorisation of a conflict under this policy may (whether at the time of giving the authorisation or subsequently):
  - 2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
  - 2.2 be subject to such terms and for such duration, or impose such limits or conditions as the board members may determine and
  - 2.3 be terminated or varied by the board members at any time. This will not affect anything done by the board member prior to such termination or variation in accordance with the terms of the authorisation.
3. In authorising a conflict the board members may decide (whether at the time of giving the authorisation or subsequently) that if a board member has obtained any information through his/her involvement in the conflict, otherwise than as a board member of the company and in respect of which s/he owes a duty of confidentiality to another person, the board member is under no obligation to:
  - 3.1 disclose such information to the board members or to any other officer or employee of the company, or
  - 3.2 use or apply any such information in performing his / her duties as a board member, where to do so would amount to a breach of that confidence.
4. Where the board members authorise a conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the board member:
  - 4.1 is excluded from discussions (whether at meetings of board members or otherwise) related to the conflict
  - 4.2 is not given any documents or other information relating to the conflict; and
  - 4.3 may not vote (or may not be counted in the quorum) at any future meeting of board members in relation to any resolution relating to the conflict.
5. Where the board members authorise a conflict:
  - 5.1 the board member will be obliged to conduct themselves in accordance with any terms imposed by the board members in relation to the conflict; and
  - 5.2 the board member will not infringe any duty s/he owes to the company by virtue of sections 171 to 177 of the Act provided s/he acts in accordance with such terms, limits and conditions (if any) as the board members impose in respect of its authorisation.
6. A board member is not required, by reason of being a board member (or because of the fiduciary relationship established by reason of being a board member), to account to the company for any remuneration, profit or other benefit which s/he derives from or in connection with a relationship involving a conflict which has been authorised by the board members or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

### **3. Company Standards**

This section aims to ensure employees and board members are aware of the standards of behaviour expected of them by the LEP. It is communicated to everyone involved in the business to ensure their commitment to it and it applies to all employees and board members.

It is not possible to establish requirements which cover all situations and circumstances at work and so the contents of this section should be considered as the basic principles to follow. Some particular types of work also have special rules applying to them. Employees and board members are expected to know and to follow the rules that apply to them.

This section should be read in conjunction with the detailed policies and procedures in the Employment Handbook.

#### **Roles Outside the LEP**

An employee's or board member's off duty hours are their own concern but their conduct at all times must not in any way bring the organisation into disrepute.

Some employees cannot undertake outside work or take up any additional appointment without the express consent of the CEO. If an employee is in any doubt about their contractual obligations, they should seek the advice of HR. Board members should seek the advice of the Board and the CEO.

Employees and board members may well have legitimate roles to carry out such as Trade Union representatives, community action group representatives, tenant committee members etc. These roles may involve employees and board members in taking part in public meetings, making statements to the press or acting on behalf of their particular group. Employees and board members should make clear the capacity in which they are speaking or making statements etc. In this capacity, the employee/board member should exercise great care in presenting the facts in order to avoid personal opinions which may be damaging to the LEP or derogatory or defamatory remarks about other employees or board members.

Refer to the *Communications and Media Policy* for more information.

#### **Criminal Convictions**

Employees are required to notify their manager or HR of any convictions incurred while employed by LEP irrespective of whether the offence occurred on or off duty. Board members are required to notify the Board and the CEO.

#### **Political Neutrality**

It is important that employees of the LEP are able to maintain political neutrality. Where employees are asked to advise political groups, they must do so in ways which do not compromise their political neutrality. Employees must not allow their own personal or political opinions to interfere with or influence their work, i.e. they must stay 'politically neutral'.

#### **Relationships at Work**

##### Personal Relationships

Employees should avoid undue close, personal familiarity with colleagues, clients or partnership organisations and it is important that they carefully consider how any relationships they have may be perceived by others.

There will, however, be situations where such relationships arise between employees or board members and colleagues, stakeholders or partnership organisations, for example, through marriage, direct family connection or a close and long standing friendship.

Such relationships must always be disclosed when relevant to LEP activities. Where such a personal relationship does exist, the employee or board member should avoid any professional contact with the other party concerned on any matter where the personal relationship may be perceived by others to affect the conduct or judgement of the person concerned. This avoidance should be clear to other colleagues and the outside world. Furthermore, employees and board members should avoid discussing, within the context of a personal relationship, any information of a private or personal and confidential nature which they become aware of in the course of their LEP duties.

Such an approach will avoid any personal relationships between employees and colleagues, partnership organisations or stakeholders damaging the appropriate professional relationship, embarrassing other employees, or giving the wrong impression to third parties.

Exceptionally, the existence of such a relationship may impact fundamentally on the ability of an employee or board member to do their job effectively. In such exceptional cases further consideration would need to be given as to the appropriate course of action to handle the situation. This would necessarily depend upon the particular circumstances and appropriate guidance would be provided to employees at the time by the CEO or HR and to board members by the board and the CEO.

#### Appointments

Appointments to posts in the organisation are made on the basis of merit and the ability of the candidate to undertake the duties of the post. To avoid any accusation of bias employees should ensure that they are not involved in an appointment procedure where they are related to an applicant or have a close personal relationship with them outside work.

If an employee is in a position where a family member or close personal friend is working with them, they are prohibited from having any influence on or involvement in any such things as recruitment processes, disciplinary proceedings, decisions regarding pay, training, promotion or reimbursement of expenses involving that person.

In the event of an employee being in such a position they are required to disclose the matter to the CEO. Failure to disclose any such relationship may be a disciplinary offence. The CEO, will make such arrangements as are deemed necessary to ensure that there is no conflict of interests arising from such a situation.

#### **Use of Financial/Other Resources**

Employees must ensure they use paid work time, resources (such equipment), property and benefits honestly, responsibly and efficiently at all times to ensure value for money. Misuse of these will be considered a disciplinary matter.

Any resources or property issued to an employee by the organisation are for the purposes of effectively carrying out the duties (e.g. mobile phones, diaries). It follows, therefore, that any such items remain the property of the organisation and as such can be withdrawn at any time.

### **Sponsorship - Giving and Receiving**

Where an outside organisation wishes to sponsor or is seeking to sponsor a LEP activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

Where the LEP wishes to sponsor an event or service, neither an employee, board member nor any partner, spouse or relative benefit from such sponsorship in a direct way without there being full disclosure to the appropriate manager of any such interest. Similarly, where the LEP through sponsorship, grant aid, financial or other means, give support in the community, employees and board members should ensure that impartial advice is given and that there is no conflict of interest involved.

### **Conduct at Work**

Employees and board members are expected to perform the duties of their posts diligently and to the best of their ability. In doing so they must comply with organisational policies, procedures and practices.

### **Equality and Mutual Respect of Opportunity**

Employees must ensure that the dignity and rights of members of the local community, stakeholders, clients, partnership organisations and colleagues are recognised and protected at all times. They must be treated with fairness, equity and courtesy in accordance with both organisational policies and the law. Employees must not allow prejudice or bias to influence them in carrying out your work.

### **Stakeholder Care**

Employees must always remember their responsibility to ensure courteous, efficient and impartial service delivery to all groups and individuals.

### **Personal Appearance**

The issue of personal appearance is a sensitive one and the balance must be between personal freedom, comfort, and the image of the organisation in the eyes of its clients / stakeholders and the nature of the work the employee does.

As a basic principle all employees are expected to demonstrate good standards of personal hygiene and care of their appearance. It is expected that employees will dress appropriately according to the nature of the work they are doing and in accordance with the principles outlined in the *Dress Code Policy*.

### **Whistle Blowing**

The LEP has a *Whistle Blowing Policy* which seeks to encourage and enable employees to raise concerns so that the company can take prompt action. The policy makes it clear that employees who raise legitimate concerns can do so with no fear of reprisals.

### **Conclusion**

This guidance does not try to cover every situation. It tries to give an indication of the standards of behaviour or conduct that the organisation expects. Anyone in doubt about how these guidelines apply to them should ask their manager. Information is also available from HR.

It is important to add, in conclusion, that there are agreed procedures for dealing with any allegations of misconduct and that the organisation will ensure that these will be handled in a way that is fair and consistent.