



## Audit, Risk & Assurance Committee

<b>Date</b>	12 <sup>th</sup> November 2018
<b>Report title</b>	Conflict of Interest Policy for Non-Elected Participants in Combined Authority Governance
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<b>Report has been considered by</b>	None

### Recommendation(s) for action or decision:

#### ARAC is recommended to:

1. Approve the enclosed Conflict of Interest Policy for non-elected participants in WMCA governance processes and request that this is agreed by the Combined Authority Board.
2. Agree to appoint the Solihull Independent Person Panel as the means of discharging the requirement for the Combined Authority to have access to a Designated Independent Person for dealing with any complaints under the Code of Conduct for Elected Members

## **1. Purpose**

This Report deals with two issues. The need to agree a policy covering conflicts of interest for non-elected participants in the Combined Authority and the appointment of a Designated Independent Person under the Localism Act 2011 in relation to the investigation of any complaints under the Code of Conduct for Elected Members.

## **2. Background**

- 2.1 The Combined Authority was first established in 2016 and confirmed as a Mayoral Combined Authority in April 2017. Much work was done at that stage by the Officers and Members of the Constituent and Non-Constituent Authorities, working with existing staff of the then Centro Transport Body to complete all the necessary actions to ensure that the Authority was up and running and in good shape to meet its new responsibilities.
- 2.2 Although not a Local Authority in the traditional sense of the word many of the basic legislative checks and balances which apply to such bodies also apply to the Combined Authority. As a public authority whose main decision-makers are in the main, local democratically elected politicians, the local government provisions around standards and conduct are applied to the Combined Authority by the Localism Act 2011.
- 2.3 Members of the Committee will no doubt be familiar with provisions for Standards and conduct in their own authorities and following the changes imposed by the Localism Act, there is now a degree of local choice in how these responsibilities are discharged so long as certain requirements are met. The principle that all public bodies should be able to demonstrate high standards of conduct for all parties who are involved in their governance and operations is one that is strongly supported by the Combined Authority. Measures have been put in place to ensure that the legal requirements of the Localism Act 2011 are met. The responsibilities of acting as a Standards Committee are included in the terms of reference for ARAC. A Code of conduct for elected members and the Mayor is in place together with arrangements for the registration of interests and appropriate declarations at meetings. A separate code of conduct is in place for employees of the Authority.
- 2.4 As well as elected councillors who are appointed to serve on WMCA Boards and Committees and who are covered by the existing “statutory” Code of Conduct there are other non-elected individuals who are asked to become involved in the work of the Combined Authority either as co-optees or in another capacity. This is dealt with further at paragraph 4.3 below however the Committee is asked to endorse the principle that these persons will also be covered by a policy which subscribes to the common standards set out by the seven principles of public life, even where there are some statutory provisions under the Localism Act that do not strictly apply.

### **3. Conflict of Interest Policy**

- 3.1 As highlighted above it is accepted that non-elected participants should have guidance in terms of the standards of conduct they are required to follow and in particular how to deal with conflicts of interest. It is particularly important that the integrity of the Combined Authority's decision-making processes are safeguarded against the perception that conflicts of interest are being ignored or that persons may be placed in positions where they can make decisions which benefit their own interests.
- 3.2 The attached Conflict of Interest policy sets out the standards of conduct which will be expected of such non-elected participants. These are based on the Seven Principles of public life and also the requirements for the registration and declaration of interests. The policy also sets out the expectation of non-participation in any discussions or decisions where such interests may be engaged. Having this policy in place will ensure that the same high standards as apply to elected Members are also expected of non-elected participants in WMCA processes.
- 3.3 Once the policy is in place the Monitoring Officer will ensure that a full list of all relevant persons is maintained and ensure that they are aware of the policy. The Monitoring Officer would also have a discretion to treat this policy as engaged where individuals are acting in an advisory capacity rather than a decision-making role.

### **4. Designated Independent Persons for Standards Complaints**

- 4.1 Under the Localism Act 2011 there is a requirement to have in place at least one Designated Independent Person (DIP) who may be consulted in relation to the investigation of any complaints under the Code of Conduct for Members. The DIP must be consulted before any penalty is imposed on an elected member as a result of an investigation into a complaint. It is good practice to have more than one DIP to cover eventualities such as absence, sickness and conflict of interest.
- 4.2 Since all constituent Authorities currently have appointed persons to fulfil this role it is recommended that we look to this pool to ensure that the Combined Authority can satisfy this requirement. Currently, Solihull maintain a panel approach with around 10 potential DIPs who can be called upon as appropriate. This panel covers Solihull, Nuneaton and Bedworth and Rugby. Since it is a legal requirement to have a DIP it is recommended that the Combined Authority joins this Panel and that the efficacy of these arrangements are reviewed after 12 months to ensure it is meeting the needs of the organisation. The services of a DIP have not been required during the first 18 months of the WMCA's operation and there are no pending complaints.

## **5. Financial Implications**

There are no specific financial implications arising from this report. There might be a requirement to pay expenses in the event that the services of a DIP was required but these would be marginal in terms of existing budgetary provision.

## **6. Legal Implications**

The legal implications are as set out in this report and arise from the Localism Act 2011.

## **7. Equalities Implications**

The Panel approach should ensure that an appropriate DIP can be selected should there be a need to invoke these requirements.

## **8. Inclusive Growth Implications**

There are no specific implications for inclusive growth.

## **9. Geographical Area of Report's Implications**

The provisions in this report will apply to all elected members or non-elected participants whether from Constituent or non-Constituent authority areas.

## **10. Other Implications**

None.

## **11. Schedule of Background Papers**

None.