

## **Appendix C - Code of conduct and Conflict of Interest protocol (draft)**

- 1 The purpose of this protocol is to guide members and employees to avoid any conflicts of interest, both actual and perceived, in relation to the Environmental Services project and particularly in respect of those employees who the Council nominates as directors of NewCo being set up by the Council to provide Environmental Services.
  - 2 The guidance in this protocol does not take the place of the Council's Code of Conduct or conditions of employment of members and employees. It is intended as supplementary guidance to clarify roles and responsibilities. It recognises elected members' corporate responsibilities and that they represent the interests of their constituents.
  - 3 The protocol should help to ensure that as the project develops, members and staff will be seen to have maintained high standards of integrity and personal conduct.
  - 4 In order to achieve and maintain standards:
    - 4.1 The Council will:
      - 4.1.1 Establish a hybrid board of directors for NewCo made up of officer(s) of the Council and other third parties.
      - 4.1.2 Restrict circulation of documents containing confidential information to only those councillors and officers who have a "need to know" for the performance of their duties on behalf of the Council. Any determination as to what information is to be classified as confidential and which members are eligible to receive such information shall be made by the Council's [Head of Legal Services].
      - 4.1.3 Ensure that appropriate service and client decisions are delegated to the [Council's Service Lead(s) for the services that the Teckal is delivering] where a potential conflict of interest exists or might arise for a councillor or employee.
    - 4.2 Employees will:
      - 4.2.1 Ensure that confidential information obtained by them, whilst acting on behalf of the Council, is not disclosed to members, other employees or persons representing the board of NewCo.
      - 4.2.2 Not, without the express consent of their director, act in a formal or informal advisory capacity for the Council and NewCo.
      - 4.2.3 Not accept, except for any secondments of officers approved by the Council, any paid office or other appointment with NewCo.
      - 4.2.4 Comply with statutory rules and regulations relating to the Council's Code of Conduct and their contracts and terms and conditions of employment.
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#### 4.3 Guidance on Conflict of Interest:

The Council should ensure that any requests for further guidance regarding conflicts of interest which relate to the Environmental Services insourcing project are delegated to the Council's [Head of Legal Services]. The types of guidance that could be provided by the Head of Legal Services include:

Guidance on exceptional circumstances which might permit a conflict of interest situation to continue. For example:

- 4.3.1 where a director did not know of the interest and could not be expected to have known;
  - 4.3.2 where a director is a director or officer of a parent, subsidiary or associate company;
  - 4.3.3 where the conflict is permitted under the articles of association of NewCo.
  - 4.3.4 Guidance on situations where it is unclear whether a conflict of interest might arise or has arisen. For example:
  - 4.3.5 where a director is asked to comment upon the Environmental Services project in their capacity as councillor;
  - 4.3.6 where a director is asked by constituents to oppose a proposed action by NewCo (e.g. planning application).
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