

Conflict of Interest

As set out in the [Employee Code of Conduct](#), council employees have an obligation to act in the best interest of the council and to avoid situations where there may be a potential conflict of interest. The following guidance - for all employees of North Lanarkshire Council - aims to (a) set out what constitutes a conflict of interest, and (b) advise how to deal with a conflict of interest should it arise during the course of your day to day duties.

What is a conflict of interest?

A conflict of interest is defined as:

- A situation in which the concerns or aims of two different parties are incompatible.
- A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

A conflict of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of the council.

Sources of conflict of interest

Conflicts of interest can arise from a number of sources, some of the more common ones are noted in the table below.

Financial	Professional	Personal	Prejudicial
<p>There are several conflicts of interest where an employee stands to gain financially from their activities. Some examples include:</p> <ul style="list-style-type: none"> • When an employee owns a portion of a business that their employer does business with. • When an employee sends their employer's customer to another business where they are also employed or own a portion of. • Providing consulting services on the side to a customer of the employer. • When an employee accepts a gift from a customer in exchange for something, such as a discount on the employer's goods or services. • Exercising decision making power about a purchase or business choice that will affect a business that the employee, or a member of their family, has a stake in. • Any use of a company's resources for personal profit, such as information, technology, supplies, goods, etc. 	<ul style="list-style-type: none"> • Serious conflicts of interest in the workplace involve working with a competitor (either as an employee or contractor) or revealing information, such as trade secrets, to a third party - for example telling one competitor for a contract the details of another competitor's bid. • If an employee starts a business in their spare time that competes with their full-time employer, or uses skills that they learned at their job to start a competing business, this could constitute a direct clash of interests. 	<p>These often fall into two distinct categories:</p> <ul style="list-style-type: none"> • <i>Romantic</i> - when two people are romantically involved and the relationship itself conflicts with the workplace, employer, or another employee's interests. For example, an employee dates their supervisor and receives special treatment, not because of their professional competence / qualifications, but because they are dating. Another example would be an employee dating a client or service user and the employee's judgement is affected because of this, leading to preferential treatment. • <i>Relational</i> - similar to the romantic examples, relational conflicts of interest are when a manager hires a family member for a job and gives them bonuses or favouritism (referred to as nepotism). This can also occur when an employee suggests, or has a role in, hiring a relative's company to do work for the council. 	<p>A prejudicial conflict of interest is where an employee is involved in financial, contracting, recruitment, or any other decision in which their personal views are contrary to some or all of the other parties - and their decision making is affected by this.</p>

Examples of potential conflicts of interest

There are many potential situations where a conflict of interest could exist, here are some of the main ones that could occur when working for the council:

- **Recruitment** - If you are involved in a recruitment exercise and you become aware that someone you have a personal or family relationship with is being considered during the process. The conflict increases where they've also asked you to provide a personal reference.
- **Disciplinary procedures** - Where you are either the disciplining manager, or investigating officer, in a process involving a family member or friend.
- **Contracts and procurement** - Where you are involved in decisions on contracts and procurement and have either a family or personal connection with those bidding, or a financial stake in a potential contractor.
- **Planning applications** - Where you are involved in a planning application from a family member or friend or the application relates to land, or a company, in which you or a family member have a financial interest in.
- **Outside commitments** - Where you have a job outside the council that is either in direct competition to the services the council provides, or has an adverse effect on the work of the council.

Responsibilities

Employees	Line Managers	Chief Officers
<p>The Employee Code of Conduct sets out your obligation as an employee of the council to act in the best interest of the council and to avoid situations where there may be a potential conflict of interest.</p> <p>It places the onus on individual employees to declare potential conflicts of interest at the earliest point (and discuss with their line manager first should they be unsure if it is a conflict of interest).</p> <p>You have a legal requirement to advise the council immediately if you become aware that a contract in which you have a financial interest in has been, or is proposed to be, entered into by the council.</p> <p>If you identify a potential conflict of interest, you must declare this by completing an Employee Conflict of Interest declaration form after discussion with your Line Manager (see blank template extract on the next page). You must then submit the form to your Line Manager for them to sign off. Once your Line Manager has signed the form you must submit it to you Chief Officer. You must do this as soon as possible, and within one month of identifying the conflict or potential conflict of interest.</p> <p>Employees who have access to LearnNL must complete the mandatory Conflict of Interest e-learning module.</p>	<p>Line Managers are responsible for reviewing and signing each Employee Conflict of Interest declaration form to say it is an accurate reflection of the discussion regarding the conflict, or potential conflict, of interest.</p> <p>Line Managers must ensure those employees who do not have access to IT facilities are made aware of their responsibilities in respect of conflicts of interest.</p> <p>Line Managers must also ensure employees without access to IT facilities are provided with a hardcopy version of the guidance and the declaration form.</p>	<p>Chief Officers are responsible for reviewing and signing each Employee Conflict of Interest declaration form.</p> <p>Chief Officers must then ensure that all employee declarations are collated into a <i>Conflicts of Interest Service Register</i>.</p> <p>Chief Officers are required to submit their Service Registers on an annual basis in line with the <i>Chief Officer Assurance Certificate and Checklist</i> process which provides the assurances required to support preparation of the council's Annual Governance Statement.</p>

EMPLOYEE declaration for Conflicts of Interest

Please only complete the cells in this form to declare Conflicts of Interest

The information will then automatically transfer over to the Register form which can then be copied and pasted into the Service Register by the Chief Officer.

Employees must complete this declaration form after discussing the offer with their Line Manager.
Once the form has been signed off by the Line Manager, it must be submitted to the respective Chief Officer.
This must be done as soon as possible and within one month of the conflict of interest arising.
Where employees have access to IT facilities, this form must be completed and shared electronically.

Employee details

Name	
Job title	
Employee number	
Service	

Conflict (or potential conflict) of interest details

Description of the conflict	
Date the conflict arose <small>enter as DD-MMM-YYYY</small>	
Date discussed with line manager	

Line Manager details

Name	
Job title	
Service	

Action taken

What steps have you taken (or will take) to avoid the conflict?	
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Declarations

Employee - I declare the information discussed and documented is an accurate and true reflection of the conflict (or potential conflict) of interest.

Signature of employee	
Date	

Line Manager - I declare the information documented is an accurate reflection of the discussion regarding the conflict (or potential conflict) of interest.

Signature of Line Manager	
Date	

Chief Officer - I declare the information transferred to the Service Register is a true reflection of the content held within this official document.

Name / signature of Chief Officer	
Date entry made in the register	