



Conflicts of Interest Policy

22/07/2024

1. Document Control

Version Control

Issue Number	Issue Author	Issue Date	Reason for Issue
0.1	M Elsom	01/10/2021	Initial draft for review
0.2	M Elsom	01/10/2021	Amends to draft, ready for Board approval
1.1	M Elsom	03/06/2024	Refresh ready for 3-year review point

Approval Control

Issue Number	Approval Authority	Name	Approval Date	Due for Review
1.0	PSPS Board	PSPS Board	18/10/2021	October 2024
2.0	PSPS Board	PSPS Board	22/07/2024	July 2027

Policy Governance

Responsible	Head of Corporate Services
Accountable	PSPS Board & Chief Executive
Consulted	PSPS – CEO and CFO
Informed	PSPS Employees and PSPS Board

2. Policy Overview

To ensure that Employees and Board Directors understand the requirement to manage, declare and avoid conflicts of interests to ensure they act in the Company's best interests, and to ensure that the company is not adversely affected by any decision or action where a Board Director or Employee stands to benefit or gain, directly or indirectly.

Related Policies

Fraud Prevention Policy

Anti-Bribery and Anti-Corruption Policy

Employee Code of Conduct

Disciplinary Policy

3. Introduction

Directors and Employees have an obligation and/or duty to act in the best interests of PSPS and in accordance with the company's policies. For employees, this obligation is reaffirmed in the Employee Code of Conduct. For Board Directors, it arises within the Companies Act, in relation to Duties of Directors.

Conflicts of interest may arise where an individual's personal, business or family interests and/or loyalties conflict with those of PSPS.

Conflicts of interest occur in those situations where a Director or Employee stands to gain or benefit directly or indirectly through engagement in activities which may potentially affect the company adversely. It will also occur if an individual is engaged with an organisation which has aims incompatible or in competition with the company.

Examples of interests that may cause a conflict include:

- Financial interests (e.g., shareholdings)
- Personal interests (e.g., membership of certain clubs, associations or societies)
- Dual employment / business interests
- Personal relationships (e.g., to other employees, Council members, contractors)
- Other relevant interests (e.g., member of other Boards)

Such conflicts may create problems; they can:

- Inhibit free discussion.
- Result in decisions or actions that are not in the interests of the company.
- Affect the company's or shareholder Councils' reputation and/or damage further business and partner organisation relationships.
- Create a financial related issue or risk.
- Impact the employment arrangements of an individual.

- Tether the trust and confidence expected with a public sector service provider.

The aim of this policy is to protect and support both the organisation and the individuals involved from any appearance of impropriety.

4. Declaration of Interests

Board Directors and senior Employees are required to declare their interests, and any gifts or hospitality received in connection with their role in the company. For the former a 'declaration of interests' form is provided for this purpose, listing the types of interest that should be declared. This should be completed by all Board Directors and senior Employees, even if they have no interests to declare.

'Senior employees' refers to all representatives of the company's Senior Leadership Team, which is comprised of the following:

- Chief Executive
- Chief Financial Officer
- Chief Delivery Officer
- Head of Revenues & Benefits
- Head of Customer Contact
- Head of Corporate Services
- Head of Procurement and Contracts

The declaration of interests register should be updated at least annually and/or when any changes occur.

It is incumbent upon directors and employees to declare any new interests arising in a timely manner. PSPS adopts a 'declare if in doubt' policy. Confidential advice can be sought by discussing any queries with the Head of Corporate Services, the Chief Executive or the Chief Financial Officer.

Interests will be recorded on the company's 'register of interests', which will be maintained by the Corporate Services Department. Access to the register will be limited to just colleagues of the Corporate Management Group, and can be made available to the Board of Directors as required. The Chief Executive will be required to declare any Conflicts of Interest to the Chair/Vice Chair.

The focus of this policy and the associated declaration of interests is on senior decision makers within the company because that is where the likelihood of conflict is greatest, but all Employees are required to act with openness and integrity.

Employees are required to disclose any relevant conflicts of interest to their People Manager and/or Head of Department in writing. The Head of Department should ensure this is recorded on the 'record of interests.'

It is recognised that some employees may have potential conflicts of interest arise from time to time. Employees should ensure they remain impartial, or refrain from becoming involved in PSPS business matters, where such conflict arises or where it could be considered inappropriate to partake in or support decisions. Formal meetings, such as Board meetings, will require participants to declare any conflicts of interests on each occasion.

5. Data Protection and Retention

Data collated in the 'declaration of interests' register is required to help the company act in accordance with law and best practice, and to ensure that decision makers act in the company's best interests. It is in PSPS' legitimate interests to collate this information for this purpose. Data collated will not be used for any other reason without a clear lawful requirement to do so and/or the discloser's permission.

Data will be retained electronically in a secure area with limited access, and for 24-months. It will be securely destroyed after 24-months.

6. Dealing with a conflict of interest

Directors or Employees should declare an interest at the earliest opportunity.

Where a conflict of interest exists, it is expected that the person with an interest is removed from any decision-making process, including the removal of any ability to vote and or participate in any debate or discussion in some cases.

Persons with an interest may still be able to participate in discussions from which they may indirectly benefit, providing their interest is disclosed and this is considered by the decision-making group.

All decisions under a conflict of interest will be recorded in the minutes of the meeting. The record should note:

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

Employees or Board Directors with a conflict of interest must not be involved in managing, determining award, 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.

7. Addressing Conflicts of Interest

When a decision is found to have been made where a conflict of interest exists, any transactions affected will be reviewed retrospectively by an independent investigating officer, and affected parties will be notified. The investigation will be conducted on behalf of the Board of Directors to determine the extent of the conflict and the intentions of the parties involved.

If the conflict in question involves a member or members of the Board of Directors, such a member will be excused from the deliberations. Where necessary, independent Board Members could consider a conflict of interest, where an interest conflicts with that of a Councillor or Officer employed by a Council.

Where the investigation finds that an employee acted inappropriately and not in the company's best interests, the review may result in disciplinary action. In such circumstances Employees will be dealt with in accordance with the company's Disciplinary Policy. If the findings relate to a Board Director appointed to the Board by one of the shareholding Councils, the matter will be referred to the relevant Shareholder and Monitoring Officer for the Council. This will include Independent Non-Executive Directors, as these are also appointed by a Founder Shareholder.

8. Review

This policy should be reviewed at least once every three years to ensure that it remains fit for purpose.

Date of next review: July 2027