



## **MHCLG and DWP Conflicts of Interest Statement of Requirements for Intermediate Bodies**

### **Introduction**

1. MHCLG and DWP are delegating some Managing Authority (MA) functions and tasks to Intermediate Bodies (IBs) that are agreed under specified Devolution Deals and (MHCLG only) as IBs under the Sustainable Urban Development (SUD) Initiative.
2. A Memorandum of Understanding (MoU) will be signed by each MA and IB which will delegate the functions and tasks specified therein. A standard MoU will be used in each case.
3. A statement of Management and Control Arrangements for Conflicts of Interest should be prepared by each IB and this will form part of the MoU documentation. This statement should set out the specific arrangements for handling Conflicts of Interest in relation to the following MA Conflicts of Interest Statement of Requirements and must be approved by each MA, who will consult each other to ensure that there is a single view on the proposals.

### **Managing Authority Conflicts of Interest Statement of Requirements**

4. In taking on delegated MA roles, bodies<sup>1</sup> to whom such functions and tasks are delegated will have important new powers to help support local economic growth. These delegated functions and tasks must be discharged by such bodies with impartiality and partnership working through the local ESI Funds sub-committee to ensure effective and inclusive programme delivery and compliance with EU regulations.
5. The arrangements for managing conflicts of interest are central to achieving compliance with EU regulations. In setting up arrangements for managing conflicts of interest, bodies should have regard to actual and perceived conflicts of interest, to ensure their effectiveness and wider confidence in arrangements.
6. IBs should describe the wider Single or Combined Authority governance arrangements that have been agreed under devolution deals. Where no

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<sup>1</sup> IBs may be Combined Authorities or Single Authorities, in receipt of Devolution Deals, or where the delegation is purely under the Sustainable Urban Development provisions of Chapter II of the ERDF Regulation (EU 1301/2013), the body which is the “urban authority” for the purposes of those provisions.



devolution deal is in a place, but a delegation of task and functions to an IB is under the Sustainable Urban Development requirements of the ERDF, a description should be provided of the Urban Authority that will be acting as the Accountable Body (AB) for the purposes of Sustainable Urban Development,

7. In each case, an IB team will be in place to administrate tasks and functions delegated by the MAs. The corporate governance of the IB team should be described, specifically in relation to the wider Single/Combined/Urban Authority (henceforth referred to as the 'Authority').
8. Management arrangements should be set out, with an explanation of how these will ensure that there is clear separation of function between management arrangements within IB/AB teams and other teams in the Authority with direct or indirect interests in the outcome of decisions which are taken by the IB/AB team. An organogram should be provided which sets this out.
9. The description of corporate governance and separation of functions should therefore, in addition to the organogram, cover and pay particular regard to:
  - a. A description of any teams part-funded by European Structural and Investment (ESI) Funds Technical Assistance for programme development and promotion activities. In such cases, explanation should be provided of the separation of function between such a team and the IB/AB team.
  - b. How in the process of developing, taking advice on and deciding on the local content of project calls, there will be clear separation of function between the IB/AB team with responsibility for this task and other parts of the Authority with an interest in the scope and activities within the call, as potential applicants to it. Where risks are identified, clear and effective mitigation arrangements should be set out.
  - c. How in the process of assessing and appraising, taking advice on and deciding on local fit for outline and full funding applications, there will be clear separation of function between the IB/AB team and applicants from within the Authority. Where risks are identified, clear and effective mitigation arrangements should be set out.
  - d. How IB/AB decisions which are taken on local call content and local fit of outline and full funding applications as part of final Authority agreement are managed to avoid conflicts of interest.
  - e. A description of any Arms Length Bodies (ALBs) carrying out functions which relate to activities covered by ESI Funds within the scope of MA



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delegated functions and tasks. In such cases there should be an explanation of how there will be clear separation of function between the IB/AB team and ALBs in relation to decisions taken on local content for project calls and local fit for full and outline funding applications.

- f. Where the Authority acting as the IB is also a Co-Financing Organisation for ESF there should be an explanation of how there will be clear separation of function between the IB/AB team and the CFO in relation to decisions taken on local content for project calls and local fit for full funding applications.
- g. Where risks are identified, clear and effective mitigation arrangements should be set out.