**Low Pay Commission – Conflicts of Interest Policy**

**Introduction**

1.1. The Low Pay Commission (LPC) seeks to maintain the highest standards of integrity in delivering its role. This document sets out the policy adopted for managing conflicts of interest that may arise in respect of LPC Commissioners (note – Commissioners for the purpose of this policy includes the Chair of the LPC). LPC staff are BEIS employees and are subject to the Department’s policy.

1.2. As public office holders, commissioners are expected to act in accordance with The Seven Principles of Public Life [[1]](#footnote-2)(often referred to as the “Nolan principles”), which outline the ethical standards to which those working in the public sector are expected to adhere. These principles underpin the conduct expected of LPC Commissioners, including that they should seek to avoid perceived, potential or actual conflicts of interest arising in relation to their role.

1.3. This policy sets out our approach to managing such conflict of interests therefore ensuring the LPC’s reputation and integrity is not compromised; and should be read in conjunction with the Code of Conduct for Members of the Low Pay Commission[[2]](#footnote-3).

**2. Conflict of interest**

2.1. A conflict of interest is considered to be any interest, connection, association, or other set of circumstances that: (a) is (or might appear to be) likely to impair or influence a commissioner’s judgment in engaging in LPC business; or (b) might impede a commissioner’s ability to carry out their LPC role; or (c) might result (or could result) in a commissioner’s (or a member of their family) or a related third party receiving a personal benefit or being perceived to be using their position within the LPC to gain an unfair advantage.

2.2. Conflicts of interest may arise because of many different circumstances, including but not limited to: (a) direct or indirect financial interests; (b) non-financial or personal interests; (c) acceptance of gifts or hospitality; or (d) conflicts of loyalty where a decision maker may have competing loyalties between a person or an organisation to which they owe a primary duty, and another person or organisation. For example, conflicts of interest can include enhancement of an individual’s financial or other opportunities, career, education, or professional reputation, or access to privileged information, facilities, or other benefits.

2.3. The LPC acknowledges that conflicts of interest are sometimes unavoidable but need not necessarily exclude a commissioner from participating in a discussion. LPC commissioners are appointed for the skills and experience that they bring to the LPC; and it is important to strike a balance between avoiding conflicts of interest while still allowing them to contribute to areas where their experience is valuable and appropriate. Indeed, Commissioners are appointed to represent certain interest groups. Three employer Commissioners represent low paying employers and three worker Commissioners do likewise for low paid workers. People with skills and experience in these areas may hold roles (or former roles) which appear to be a conflict, but in fact are built into the design of a social partnership.

2.4. Judgment is, therefore, required in considering whether commissioners should recuse themselves, or be excluded, from a particular piece of LPC business. We operate a policy of transparency, to which the principles of openness and integrity apply. Commissioners are required to disclose any perceived, potential, or actual conflicts of interest when they arise or, if identified after such conflict of interest has arisen, promptly after they become aware of a conflict of interest.

2.5. Actions taken to manage any perceived, potential, or actual conflicts of interest that arise may take various forms. For example, commissioners may recuse themselves from discussions on matters, or from contributing to LPC opinions or other statements relating to issues, on which they are conflicted.

2.6. A conflict (potential, perceived or actual) could be significant enough that an individual’s role on the LPC becomes untenable and that they should, therefore, resign from the LPC.

**3. Identifying conflicts of interests**

3.1. On appointment, commissioners are required to declare any interests they have which do, or might, give rise to a conflict of interest in relation to any area of the LPC’s work. Commissioners are provided with guidance on identifying and managing conflicts of interest, based on Cabinet Office guidelines.

3.2. The LPC secretariat maintains a register of interests (ROI) setting out the interests declared by each commissioner. The ROI is circulated to commissioners for review at the end of Q2 and Q4 each financial year. The LPC secretariat updates the ROI immediately on notification of any changes. Any updated ROI is published on the LPC website within a fortnight after each review is concluded.

3.3. It is the responsibility of commissioners to report, in writing, to the LPC secretariat any changes to their interests promptly after the change occurs or after the commissioner becomes aware of a perceived, potential, or actual conflict of interest (for example, a new interest arises, the circumstances relating to a previously declared interest change or a previously declared interest ceases to exist).

3.4. The information in relation to the ROI and any conflicts of interest is processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data is processed only to ensure that committee members act in accordance with their obligations to the LPC and in its best interests. The information provided is not used for any other purpose.

3.5. Where a conflict of interest arises because of a commissioner’s relationship with a third party, the LPC considers it to be ‘time-expired’ 12 months after the end of the commissioner’s last relevant relationship, interaction, or other connection with the third party concerned. ‘Time expiry’ of a conflict of interest may be sooner if, at the request of the individual concerned, the Secretary to the LPC has determined that the conflict has ceased to exist. For the avoidance of doubt, commissioners may choose to keep an interest on record for a period longer than 12 months after the relationship, connection or interactions ends.

**4. Managing conflicts of interests in LPC formal meetings**

4.1. Should a perceived, potential, or actual conflict of interest be identified during a formal meeting in relation to a matter to be considered in that meeting, the relevant commissioner shall not participate in any decision regarding that matter. The Chair (or, if the Chair is conflicted, another commissioner) and Secretary to the LPC will determine whether the commissioner should participate in the related discussion.

4.2. The commissioner may be asked to recuse themselves for the part of the formal meeting where the commissioners discuss, or decides on, that matter.

4.3. However, with the consent of the individual concerned, if the Secretary to the LPC concludes that the commissioner’s expertise will be beneficial to the discussion, and that the conflict of interest will not: (a) result in a benefit or advantage to the commissioner (or a family member or a third party with which they have a relationship); and (b) be to the detriment of the LPC, the Secretary of the LPC may permit the commissioner to participate in the discussions. The Secretary to the LPC’s decision in the matter is final.

4.4. The minutes of the meeting will set out clearly a brief description of the perceived, potential, or actual conflict of interest identified and the Secretary to the LPC’s decision regarding management of that conflict.

**5. Managing conflicts of interests in LPC evidence gathering sessions**

5.1. When the LPC participates in evidence gathering sessions, the secretary to the LPC is responsible for registering the details and check the subject matter against the ROI to identify any potential conflicts of interests that commissioners may have in relation to the evidence session.

5.2. The secretary to the LPC will also consider any perceived, potential, or actual conflicts of interest that individual commissioners may have and inform the LPC secretariat staff member responsible for registering cases, if any conflict of interest is identified or subsequently comes to their attention.

5.3. In either situation, the LPC secretariat will note the conflict of interest, with a brief description, and inform the Secretary to the LPC and the Chair, if necessary, in writing of the conflict.

5.4. The Secretary to the LPC will discuss the perceived, potential, or actual conflict of interest with the commissioner in question to consider the extent to which the conflict of interest should result in the commissioner being excluded from the evidence gathering sessions. The LPC secretariat shall, under the direction of the Secretary to the LPC, take appropriate steps to manage that conflict of interest.

5.5. Should the conflicted commissioner disagree with the decision of the Secretary to the LPC, they may appeal to the Chair in writing. The decision of the Chair on any appeal is final. Where the conflict involves the Chair, the Secretary to the LPC will discuss the matter with another commissioner, or members, and agree an appropriate approach.

5.6. When an opinion or other document is circulated for full evidence gathering outcome, the conflicted commissioner shall be excluded from the circulation and any subsequent discussion, unless otherwise determined by the Chair.

5.7. Should the conflicted commissioner be permitted to participate in consideration of the evidence gathering session, the Chair and Secretary to the LPC will manage and monitor any conflicts of interest identified to ensure the integrity of the LPC, the evidence gathering, and any decision taken in relation to it.

5.8. If, at any point in the work of the LPC, a commissioner considers a conflict of interest to exist, which has not been identified or declared previously, this should be declared and recorded. Having discussed the matter with the Secretary to the LPC, an appropriate approach to managing the conflict will be agreed, in line with that set out in paragraph 5.4 above.

5.9. Where a committee member is conflicted and is recused from discussion, or the entire process of consideration, of a particular matter, the following statement will be set out clearly at the end of any LPC document related to it (including any LPC opinion or public statement):

***[One] commissioner[s] did not participate in the evidence gathering of this matter to avoid a conflict of interest.***

5.10. This exclusion continues to apply to the internal circulation of any relevant LPC document; and remains applicable until it is published and so enters the public domain.

5.11. Where the Chair agrees that a commissioner may, because of their expertise, work on evidence gathering or otherwise be involved in consideration of a matter where a conflict of interest has been identified, the LPC will manage (possibly by withholding some papers or restricting involvement) the process to ensure impartiality and the highest level of integrity of the LPC and the commissioner.

5.12. In such instances, the situation will be recorded and shared with the committee, and the following statement will be added to the end of any relevant LPC document:

***[One] commissioner[s] participated in the evidence gathering of this matter although a conflict of interest was identified in relation to the commissioner’s participation. [STATE CONFLICT AND DESCRIBE MEASURES IMPEMENTED TO MANAGE IT].***

**6. Responsible person and annual review of policy**

The responsible person in relation to this policy is the Secretary to the LPC, who shall ensure that the policy is reviewed and updated as appropriate no less frequently than annually. The LPC shall review the policy (updated as appropriate) and approve any revision of it at an LPC meeting.

**7. Record keeping and governance**

The LPC secretariat will maintain a record of all conflicts of interest identified, which shall include the name of the relevant commissioner, the nature of the conflict, measures taken to manage it and the names of the persons involved in any decisions taken in respect thereof.

**8. Prevention, detection, and response to breach of conflicts of interest**

8.1. It is the responsibility of each commissioner to report to the Secretary to the LPC, any conflicts of interest of their own or where they become aware that another commissioner has a perceived, potential, or actual conflict of interest. LPC secretariat staff members are also expected to monitor continuously any potential conflicts as part of their day-to-day management of LPC activities.

8.2. If any third party brings a perceived, potential, or actual conflict of interest to the attention of the LPC, it shall be reported to the Chair and Secretary to the LPC and dealt with in the same manner as other conflicts of interest under this policy.

8.3. If a commissioner fails to disclose a conflict of interest or fails to act in accordance with the Chair’s advice (or the advice of the Secretary to the LPC where the Chair is conflicted) on how to manage a conflict, disciplinary action, dismissal, or prosecution could result under the terms and conditions set out in the commissioner’s appointment letter. In such an event, the LPC may, where appropriate, reconsider any decisions taken, and/or withdraw any opinion or other statement issued by the LPC, in relation to any recommendations made.

**9. Oversight arrangement**

The Chair or Secretary to the LPC shall be responsible for ensuring that the LPC’s conflict management policy and systems are functioning effectively and may ask for a review of the arrangements to be undertaken periodically to provide assurance of that.

1. <https://www.gov.uk/government/publications/the-7-principles-of-public-life> [↑](#footnote-ref-2)
2. <https://www.gov.uk/government/organisations/low-pay-commission/about/terms-of-reference> [↑](#footnote-ref-3)