
Conflicts of interest

Agenda item 9

Date: 12 February 2019

This short paper sets out some of the key points in respect of London TravelWatch and draws particularly on the National Audit Office report dated 23 January 2015.

1. Conflict of interest

A conflict of interest is a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest.

It is a situation:

- that has the potential to undermine the impartiality of a person because of the possibility of a clash,
- or where someone has competing interests or loyalties that either are or could be at odds with each other.

Failure to properly manage conflicts of interest can bring decision making into account – and often the perception of conflict alone is enough to cause concern. This could lead to reputational damage and undermine public confidence.

Moreover, failure to recognise a conflict of interest can give the impression that the organisation or individual is not acting in the public interest and there is a potential risk of legal challenge to decisions made by public bodies.

It is important to remember that declaring an actual or potential conflict of interest in no way reflects on the personal integrity of the individual or indeed on their ability to exercise appropriate judgement as to how they use information given to them in one capacity when they are acting in a different capacity.

The GLA has recently given the following reminder to London Assembly Members at every meeting –

“the Monitoring Officer has advised Assembly Members to continue to apply the test that was previously applied to help determine whether a pecuniary / prejudicial interest was arising - namely, that Members rely on a reasonable estimation of whether a member of the public, with knowledge of the relevant facts, could, with justification, regard the matter as so significant that it would be likely to prejudice the Member's judgement of the public interest.

Members should then exercise their judgement as to whether or not, in view of their interests and the interests of others close to them, they should participate in any given discussions and/or decisions business of within and by the GLA. It remains the responsibility of individual Members to make further declarations about their actual or apparent interests at formal meetings noting also that a Member's failure to disclose relevant interest(s) has become a potential criminal offence".

2. Dealing with conflict of interest at London TravelWatch

London TravelWatch is a public body funded by London's council tax payers. Its work is overseen and directed by a Board, all of whom are public office holders. On appointment members are required to sign up to a guidance note which is based on the seven principals of public life (2016 copy attached for reference – this has since been updated slightly).

The seven principles of public life, originally set out by the Nolan Committee in 1995, were a response to various political scandals and were set out as a means to restore and maintain standards in public life. The principles lay out in broad terms the ethical demands made on those who hold and exercise public office.

The need to be independent and, more crucially to be seen to be independent, is business critical for us and our first core value. There is a major risk to our ability to do our work if we are not thought to be independent and working only on behalf of passengers. Hence we have to be particularly careful in managing the risk of actual or perceived conflict of interest.

The risk is strongest for Board members as they make our key decisions. We manage the risk by asking all members to declare any interests they have which might give rise to the perception that their decision making is not impartial. These declarations are shown on the public website. As a standing item on the agenda for each public meeting, members are also required to make a specific declaration of interest in respect of items due for consideration at the meeting.

Depending on the nature of the interest, members would be expected to vacate the chair, refrain from joining in the discussion or even absent themselves from part of the meeting if it was felt their continuing presence might call into question the decisions made at the meeting.

Staff are required to log any potential conflict of interest and, as appropriate, abstain from any activity related to that interest. Our working principle on this is – "What would the Evening Standard say if their fiercest reporter was to run a scandal piece?" - And, "if in doubt, don't!"

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