

## Section 6.1: Staff Interests Statement

### 1 Purpose

- 1.1 The Utility Regulator (UR) is a best practice regulator with a mission to deliver value and sustainability in energy and water. We must command consumer and stakeholder confidence in the rigour and expertise we apply to decisions. This sets a very high standard requiring a highly skilled team of individuals who understand our industries and offer high quality analysis and advice to the Board in support of its decision making role.
- 1.2 Actual, potential or perceived conflicts of interest can lead to doubt about your personal integrity and our corporate reputation. Decisions can be challenged and trust lost but there may also be personal consequences such as disciplinary action. A high-profile issue could result in severe reputational damage and even individuals losing their jobs.
- 1.3 As a result, there must never be a legitimate reason for those outside the office to suspect or allege that your work is influenced by outside interests or that you may be able to individually profit from, for example, advance knowledge of decisions or other information which is not yet public.
- 1.4 As an employee, you must take all reasonable steps to avoid suspicions or allegations arising. Failure to disclose an actual, potential or perceived conflict (even if unintentional) raises, at best, the risk of an allegation, or perception of, misconduct. This Employee Interests Statement (the Statement) sets out procedures to protect and equip you to deal with these issues whilst still being able to do your work effectively. You are an “employee” if you are a permanent, fixed term, agency or seconded member of staff. The checklist at annex A can help to determine if an actual, potential or perceived conflict exists.
- 1.5 This Statement takes into account the Northern Ireland Audit Office Good Practice Guide (March 2015), is consistent with UR’s mission, vision and values and the following Northern Ireland Civil Service standards.

Standards in Public Life (Chapter 1 of Managing Public Money (NI))
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- Honesty
- Impartiality
- Openness
- Accountability
- Accuracy
- Fairness
- Integrity
- Transparency
- Objectivity
- Reliability

*Carried out:*

- In the spirit of, as well as to the letter of, the law
- In the public interest
- To high ethical standards
- Achieving value for money

Northern Ireland Civil Service Handbook Values - Standards of Conduct (Sect 6)

- Integrity
- Objectivity
- Political Impartiality
- Honesty
- Impartiality

## 2 Definitions

### Conflict of Interest

Involves a conflict between the public duty and the private interest of a public official in which the official's private capacity interest could improperly influence the performance of his/her official duties and responsibilities. (NIAO Good Practice Guide, March 2015)

2.1 In practice, a conflict arises where there is a real possibility that:

**You may act contrary to your public duty to independently and impartially carry out a particular function on behalf of UR because of an outside interest held by you, a close relative, other relative, friend or associate.**

Or

**A fair minded, outside observer, acting reasonably, would conclude that there was a real possibility of bias and, therefore, that the interest could lead to you acting contrary to your public duty to independently and impartially carry out a particular function on behalf of UR.**

2.2 This means that you don't actually have to have a conflict. A perceived conflict can be just as significant as an actual one even where it poses no actual risk to the conduct of public business.

2.3 The interest in question need not be yours personally but can include interests of relatives or friends and associates who have a potential to influence your conduct.

### Close Relative

Spouse, partner, parent, child (adult /minor), brother, sister, mother in law, father in law

### Other Relatives, Friends and Associates

Significance of the interest depends on the closeness of the relationship and degree to which UR's decisions or activities could directly or significantly affect them. A friend or associate should be considered as someone with whom the individual has a longstanding and close relationship or has had dealings with which may create a conflict of interest.

## 2.4 Examples of outside interests include

### Direct Financial Interests

Gains or benefits e.g. arising from ownership of shares, regulatory or procurement decisions

### Indirect Financial Interests

Arising from connections with bodies or companies which have a direct financial interest or from being a business partner of, or being employed by, a body or company with such an interest

### Non Financial Interests

- Participation in appointment processes that could lead to the appointment of a relative or friend;
  - Receipt of gifts and/or hospitality;
  - Membership of an organisation; or
- Owing a legal duty to an organisation or having a particular disposition toward an organisation or person due to past outside experience.

2.5 Shareholdings are a crucial element in making sure your interests are declared correctly but we need to be clear what we mean by this term. It includes all other types of securities including, but not limited to, instruments such as:

Preference shares	Notes	Warrants	Convertible and Exchangeable Bonds
Mortgages	Commercial Paper	Futures	
Loan Stocks	Bills of Exchange	Options	
Bonds	Loan Participations	Spread-betting	

## 3 How Do I Know What Interests I Can Have?

3.1 There are broadly two types of interest, prohibited and registrable.

### Prohibited Interests

Interests that are incompatible with employment in the office

## Shares

- 3.2 Shares (as defined at paragraph 2.5 above) in licenced companies or their holding companies. As a guideline, a list of licensees is available at [http://www.uregni.gov.uk /uploads/publications](http://www.uregni.gov.uk/uploads/publications). However, it is your personal responsibility to confirm whether or not any company in which you hold shares are held is licenced or not.
- 3.3 If you hold such shares on the date you're appointed, you must notify the Head of Corporate Services (HCS) and agree the means and timescale for disposal. UR will meet reasonable transaction costs.
- 3.4 You are not generally prohibited from holding other shares but you should exercise caution and judgement in acquiring or holding shares so as to avoid a conflict arising. Shareholdings held are at your own risk.

## Commercial Transactions

- 3.5 Becoming a party to, or otherwise dealing in, a contract for purchase or sale of gas, electricity or water, whether for physical delivery or otherwise, on anything but standard terms customer is prohibited. For instance, discounts must be available to other customers in similar circumstances. Bills relating to such transactions must be paid promptly.

## Other Employment (Including Consultancy)

- 3.6 You are prohibited from engaging in or be concerned directly or indirectly (for example through a relative or friend) in any activity, decision, appointment, consultancy practice, business or trade connected with any organisation which;
  - (a) is regulated by UR or Commission for Energy Regulation (CER)
  - (b) is concerned with or advises upon, the activities carried out or regulated by UR or CER; or
  - (c) in any way diminishes or restricts the employee's ability to perform his/her duties for UR or CER.
- 3.7 More generally, you are contractually obliged to advise UR prior to engaging in any outside paid or unpaid work. If UR objects to the proposed arrangement then you may invoke the grievance procedure to resolve the matter.

<b>Registrable Interests</b>	Interests that are not incompatible with employment in the office but which may from time to time give rise to a potential or actual conflict of interest or which a member of the public could conclude has the potential to do so.
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<b>Former and Current Employment and/or Board Level Appointments</b>
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- 3.8 You must register details of the following former employments:
- (a) With a company licenced by UR to undertake energy or water activities in Northern Ireland; or
  - (b) With a company not licensed by UR but which is an affiliate company of licensed companies or otherwise had a material financial interest in UR's decisions; or
  - (c) With a company which provides goods and services to UR.
- 3.9 You are also required to register details of any current employment;
- (a) Of your relatives and, in respect of (a) and (b) above, friends or associates by such companies;
  - (b) And/or board level appointments of relatives, friends or associates by such companies.
- 3.10 Paragraphs 3.8/3.9 include paid or unpaid positions and significant secondments.

<b>Pensions and Shareholdings</b>
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- 3.11 You must immediately register any membership you or your relatives have in the pension scheme (with rights either currently in payment or accrued against future payment) of any of the following companies:
- (a) A company licensed by UR to undertake energy or water activities in Northern Ireland;
  - (b) A company not licensed by UR but which is an affiliate company of licensed companies or otherwise has a material financial interest in UR's decisions;
  - (c) A company which provides goods and services to UR.
- 3.12 You should register shareholdings you or your relatives hold in such companies (excluding prohibited shareholdings).
- 3.13 If you have any doubts about whether a particular pension or shareholding should or should not be registered then it should be registered.

- 3.14 You must not be involved in any aspect of the tendering, evaluation or award of contracts in respect of companies that you, a relative, friend or associate has financial interest in or is employed by.

### **Commercial Transactions and Grants/Discounts**

- 3.15 You must register commercial transactions or grants which you, your relatives, friends or associates are, or have been, involved in that could give rise to a conflict. UR may not otherwise be aware of such interests so it is your personal responsibility to ensure that your register is complete and transparent. This does not include;
- Purchase of energy on standard terms as a consumer; or
  - The receipt of grants administered by UR policy partners (for example, energy efficiency improvements under the Northern Ireland Sustainable Energy Programme) where these are on standard terms as a consumer.

### **Non Financial Interests**

- 3.16 You are required to consider whether or not you or your relatives have any non financial interest that relates closely to UR's work. If so, these should be registered. These may include, but not be limited to, interests arising from membership of outside organisations with an interest in UR's work (such as non-governmental organisations or research bodies).

## **4 Procedure for Recording Interests**

- 4.1 All registered interests are held on a central register which is subject to periodic review by the HCS in conjunction with staff. However, it is your responsibility to highlight the relevance of the particular interest. The HCS will consider what, if any, action is needed avoid a conflict and manage the issue appropriately to ensure that there is no bearing on decisions made.
- 4.2 You are required to;
- (a) Complete or update a register entry annually. Corporate Services will prompt you to do this. A nil return will be required even where you have nothing to register; and
  - (b) Keep what you have declared under constant review and amend your register entry as needed.

## **5 Dealing With Interests Where A Conflict Arises**

- 5.1 Registering an interest does not in itself constitute a presumption that a conflict exists. However where you become aware that an interest (registered or not) will amount to a conflict of interest in relation to a particular aspect of your work, you must declare this to the HCS at the earliest opportunity.
- 5.2 If you have any doubt as to whether or not the interest should be declared, it should be declared.
- 5.3 You will be asked to complete a register entry annually but it is for you to make sure that your registrable interests are kept up to date. It is recognised that, occasionally, a matter will arise that may touch on an interest not previously registered because it was not relevant or that an existing interest may change in nature. In these circumstances, you should register the interest (or amend an existing register entry) at the earliest opportunity as well as declaring the matter to the HCS.

## **6 Dealing With Conflicts of Interest**

- 6.1 When you declare an interest, the HCS will decide whether or not a conflict of interest exists following consultation with your director or, if you are a director, with the Chief Executive.
- 6.2 Where a conflict exists, it is important that it does not have a bearing on any decisions made by UR. You should not be involved in developing proposals, preparing papers, attending meetings, receiving minutes or participating in decisions or discussions relevant to the conflict. For this reason, you must make every reasonable effort to anticipate issues over which a conflict may arise and to raise the matter as soon as possible.
- 6.3 Remember that you hold financial interests at your own risk. For example if a conflict relates to shares the only appropriate course of action may be to divest yourself of them even if it results in financial loss. However, you must not do this in such a way that the conflict isn't resolved by, for example, passing the interest on to a relative, friend or associate.

## **7 Insider Dealing**

- 7.1 It is an offence in law for you to deal in the shares of any company (whether or not regulated by UR) where you are in possession of unpublished information which, if published, would be likely to affect the price of those shares, (so called "insider dealing").
- 7.2 Insider dealing includes counselling or procuring dealing in such shares. It also includes imparting information which you know, or have reasonable

cause to believe, will be used for the purpose of dealing or counselling or procuring another person to deal.

- 7.3 Examples of information which might influence share prices include information about unpublished regulatory decisions, or about planned takeovers or disposals or re-organisation of businesses, or unpublished information about profits and future business prospects.

## Annex A: Checklist for Potential Employees

Question	Yes/No
Would I or anyone associated with me benefit from, or be detrimentally affected by, my decision or action?	
Could there be benefits for me in the future that could cast doubt on my objectivity?	
Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?	
Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?	
Do I or a relative, friend or associate stand to gain or lose financially in some covert or unexpected way?	
Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?	
Have I contributed in a private capacity in any way to the matter the UR is dealing with?	
Have I made any promises or commitments in the relation to the matter?	
Have I received a substantial gift, benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?	
Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose from my proposed decision or action?	
Could this situation have an influence on nay future employment opportunities outside my current official duties?	
Could there be any other benefits or factors that could cast doubt on my objectivity?	