

# Healthwatch Luton

## Policy on Conflicts of Interest and Loyalties

This policy applies to Directors and Volunteers of Healthwatch Luton ('HWL'), and in some respects as described below to members of staff.

Directors have a legal obligation to act in the best interests of HWL and in accordance with HWL's governing document, and to avoid situations where there may be an actual, potential or perceived conflict of interest.

A conflict of interest is any situation in which a director's personal interests, or interests which they owe to another body, and those of HWL arise simultaneously or appear to clash.

Conflicts of loyalties also arise where the Director's or Volunteer's loyalty to HWL conflicts with their loyalty to the body that appointed them or to another charity or organisation of which they are a trustee or in paid employment, or which sponsors them in some way.

It is inevitable that conflicts of interest can occur. The issue is not the integrity of the director or volunteer concerned, but the management of any potential to benefit from a person's position as director/volunteer, or for a director/volunteer to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage HWL reputation, so conflicts need to be managed carefully.

Such conflicts may create problems; for example, they can:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of HWL; and
- risk the impression that HWL has acted improperly.

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

### The Declaration of Interests

Accordingly, HWL requires Director's/Volunteer's to declare their interests (including potential conflicts of loyalties), and any gifts or hospitality received in connection with their role in HWL.

A declaration of interest's form is provided for this purpose, listing the types of interest that should be declared.

To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur. If Director's/Volunteers are not sure what to declare, or whether/when their declaration needs to be updated, they should err on the side of caution. If a Director/Volunteer would like to discuss this issue, please contact the Chief Operating Officer or the Chair for confidential guidance.

This register of interests will also be used to record all gifts of a value over £10.00 received by any Director/Volunteer or by the Chief Operating Officer or staff. Interests and gifts will be recorded on HWL register of interests, which will be maintained by the COO.

Should any member of staff or the Board be offered a gift or monetary fee for speaking or participating in an external event, this should be declined or treated as income for HWL.

## **Data Protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 2018. Data will be processed only to ensure that Director's/Volunteer's act in the best interests of HWL. The information provided will not be used for any other purpose.

## **What to do if a Director/Volunteer face a Conflict of Interest**

Director's/Volunteer's should declare their interest at the earliest opportunity and withdraw from any subsequent discussion. If a Director/Volunteer fails to declare an interest that is known to any other Director/volunteer, that individual or other Director/Volunteer will declare that interest.

## **Decisions taken where a Director or Member of Staff has an Interest**

In the event of the Board having to decide upon a question in which a Director has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested Board members may not vote on matters affecting their own interests and may be asked to withdraw from the meeting during discussion of a matter involving confidential information directly related to the conflict in question.

All decisions under a conflict of interest will be recorded by the minute taker and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict;
- an outline of the discussion;
- the actions taken to manage the conflict.

Where a Director benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP. All payments or benefits in kind to Director's will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

Where a member of HWL's staff is connected to a party involved in the supply of a service or product to the charity, this information will also be fully disclosed in the annual report and accounts. Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

## Managing Contracts

Director's and members of staff must not be involved in managing 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.

## Conflict of loyalties

When dealing with the business of HWL, a Director's overriding duty is to act in the best interests of HWL. There may be situations in which a Director's/Volunteer's loyalty to HWL conflicts with their loyalty to the body which appointed them, to another charity of which they are a trustee or to a member of their family. Such conflicts of loyalty will not stop anyone from being a Director/Volunteer, but they can occasionally cause, or be perceived to cause, conflicts of interest.

Any Director/Volunteer who has a conflict of loyalties should declare this and it should be included in the register of interests. They should also declare the interest at the beginning of any meeting at which an issue is to be discussed that is subject to the conflict and should take no further part in the discussions on the issue. This will help to ensure transparency and avoid any accusations of impropriety.

## Healthwatch Luton Forms

The following forms, which accompany this Policy, are available from Healthwatch Luton:

- Declaration of Interests Form (for inclusion in the Register of Interests)
- Register of Interests Form (including potential conflicts of loyalties)

Both forms are available on request.

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