#

**Conflict of interest guidance**

January 2021

**About this guidance**

Throughout this document any reference to volunteers will encompass both operational and Board level volunteers.

**What is a conflict of interest?**

A conflict of interest may arise where the commitments and obligations owed by an individual member of staff or volunteer to Healthwatch (their public duty), are likely to be compromised, or may appear to be compromised, due to an individual’s personal interests or loyalties.

Potential conflicts of interests can be external to an individual’s employment with Healthwatch, such as secondary employment, or internal such as personal relationships within the organisation. Potential conflicts can also arise through close personal or family relationships.

**Why do we need a conflict of interest policy?**

Local Healthwatch must be seen as independent and accessible to all sections of the community. This requires you to have systems, processes, values and a culture in place to achieve credibility with the public, as these arrangements can be closely watched by the public, and failings can attract considerable negative attention.

It is essential therefore, that all local Healthwatch have a transparent conflict of interest policy, regardless of size and whether they are a hosted or standalone organisation.

It is important to our reputation and brand that we are open and transparent, and publishing our policy and procedures on our website for public scrutiny helps us demonstrate our commitment to these principles.

**What would constitute a conflict of interest?**

There is no definitive list and every situation should be taken on its own merit. Some examples of areas where conflicts may arise are highlighted in the policy document below.

If after discussions between Chair and Lead Officer, you are still not sure what action to take, speak to your Healthwatch England Regional Manager.

**Our host organisation delivers local health and social care services – is there a conflict of interest?**

Potentially – if this applies to you, you should manage this conflict of interest as you would any other – in line with your agreed policy and procedures. In addition, you should have a governing document agreed between your advisory board and your host organisation which will outline steps to ensure decision making is transparent and your advisory board is independent from your host organisation.

**We deliver contracts other than Healthwatch – is there a conflict of interest?**

Potentially – check the terms of your other contracts, preferably before taking them on, to ensure your independence is not compromised. You may need to discuss this with your local authority.

**How do I ensure our policy is relevant, regularly used and protects our brand and reputation?**

All members of staff and volunteers should be able to recognise and disclose activities that might give rise to conflicts of interest (actual or perceived) and ensure that they are properly managed or avoided.

Your Board will keep up to date as your policy and procedures should be reviewed on a regular basis by them (good practice indicates reviews no longer than three years apart), noted in Board minutes and any amendments published on your website as soon as is practicable.

All staff and volunteers should be aware of and understand their responsibilities to identify and raise potential conflicts of interest. It is good practice for staff and volunteers to read the policy and procedures to refresh their knowledge annually and reaffirm their declaration of interests.

Your conflict of interest policy and procedures should be published on your website, which means members of the public and organisations you work with will be aware of your obligations.

**What happens if I identify a potential conflict of interest?**

You will want to make sure you have on your team experienced and skilled members of staff, volunteers and Board members. This will likely include individuals in senior positions within the health and social care sector, and it is probable that you will have potential conflicts of interest within your staff and volunteer team.

Transparent systems can help manage perceived conflicts due to competing interests, by identifying them and putting processes in place to mitigate them.

When a member of staff or volunteer joins your team, you should ask them to complete a Declaration of interest form, even when there is nothing for them to declare, and have a system to ensure their information is kept up to date.

Some teams do not ask operational volunteers to complete a form and ask them to declare interest prior to taking part in individual activities. There is no right and wrong process – the important thing is that your process works for you, is robust and defensible should you need to rely on it.

If you, or any member of your team or external associate raises a potential conflict of interest with you regarding any of your team of staff or volunteers, have a discussion with the impacted parties to understand whether the Register should be updated.

Here are some areas for you to consider:

* Could there be benefits for a staff member or volunteer now, or in the future, that could cast doubt on their independence?
* Perception is important – how will an individual’s involvement in the decision or action be viewed by others?
* Are there any political interests that may be perceived to be in conflict without public duty? See also the document ‘Purdah Guidance’ issued by Healthwatch England.
* Would an individual’s involvement in the decision making appear fair and reasonable in the given circumstances?

**How do I ensure conflicts of interest are properly managed?**

If conflict of interest situations are not properly identified and managed, they can endanger the integrity of your Healthwatch.

Each circumstance you encounter will be different. The main options open to you are highlighted in the policy document below.

Remember to record and report the minutes of meetings, any declared conflicts including the nature of the conflict and the actions taken to manage the conflict.

When you are considering whether something is a conflict or not – remember perception is important. How would this look if a journalist wanted to make headlines? The tabloid test!

It is good practice across many organisations to have a standing agenda item at the start of Board meetings to allow declarations of interest to be raised at the start of every meeting.

**Do I have to use the template policy and procedures document?**

The important thing is you have a conflict of interest policy and procedure that is open and transparent. If you already have a policy that does this and you want to keep it, you can.

If your policy provides detailed steps, take care to ensure that you adhere to them in every case, as this is your commitment to the public of your local authority area, and you may be held accountable.

**How does this fit into the Quality Framework?**

The Healthwatch Quality Framework sets out the key ingredients for running and effective Healthwatch. Conflicts of interest are especially relevant to the **leadership and decision-making** domain, which recognises the importance of operating with integrity.

**How does this fit in with our commitment to equality, diversity and inclusion?**

Equality, diversity and inclusion should cut across all activity of Healthwatch and those involved in carrying out that activity. Take care to assess each area of your conflict of interest policy to ensure you are not discriminating or excluding any individual in your team or potential member of your team and are acting in an inclusive manner.

# Conflict of interest: policy and procedures

### Policy Statement

All employees, Board members and volunteers associated with Healthwatch xxx have a responsibility to put the interests of the organisation before their own personal pursuits. The aim of this policy is to protect both the organisation and the individuals concerned from any appearance of impropriety.

All Healthwatch xxx staff, Board members and volunteers are required to identify and disclose activities and relationships that might give rise to conflicts of interest or the perception of conflicts of interests and to ensure that such conflicts are seen to be properly managed or avoided.

When properly managed, an individual’s activities can usually proceed as normal whilst at the same time upholding the individual obligations to Healthwatch xxx and protecting the integrity and reputation of the organisation. Conflicts which are not managed effectively may jeopardise public confidence and damage the credibility of the organisation and of the individuals concerned.

This policy reflects the Standards of Business Conduct set out by the Committee on Standards in Public life – also know as the **‘Nolan principles’**.

### What is a conflict of interest?

A conflict of interest may arise where an individual, who is employed by or volunteers for Healthwatch xxx, has personal family interest and / or loyalty to some other individual or group, which are likely to be in conflict or may appear to be in conflict, with the interests of Healthwatch xxx.

This could inhibit free discussion, result in decisions or actions not in the interests of Healthwatch xxx, give rise to an appearance of bias or favoritism towards another organisation or individual within or outside of Healthwatch xxx, create or appear to create preferential personal gain.

There can be situations in which the appearance of conflict of interest is present even when no conflict exists. It is important when evaluating a potential conflict of interest to consider how it might be perceived by others.

There is no definitive list of conflicts and every situation should be taken on its own merit. Some examples of areas where conflicts may arise are:

* Staff or volunteers working for or having a commercial relationship with another organisation.
* Voluntary or remunerated positions, including local authority or other public positions.
* Financial interests where there appears to be an opportunity for personal financial gain, such as shareholdings or beneficial interests in organisations where services or contracts are being procured.
* Personal relationships with service users, service providers or service commissioners.
* Personal relationships within the local Healthwatch network, or Healthwatch England.
* Selection and recruitment process
* Membership of political parties.
* The offer of gifts and hospitality, whether accepted or declined.

This list is not exhaustive.

### Recognising a conflict of interest

When a staff member or volunteer joins Healthwatch xxx, they will complete a declaration of interest form. This will be reviewed at least annually and updated as soon as circumstances change. If in doubt about a conflict of interest, the individual should declare it in the interests of transparency, and the Chair and Lead Officer will take a view on whether it does constitute a conflict.

These individual forms will create a Register of interest which will be maintained by the Lead Officer of Healthwatch xxx and will be accessible by contacting the Lead Officer.

### Action to take with a conflict of interest

If a member of staff, Board member or volunteer has any interest in a matter under discussion, at any meeting where they represent Healthwatch xxx they should declare it at the earliest opportunity. They should withdraw from that meeting or discussion until agreement has been sought from the Healthwatch xxx Chair regarding action to be taken.

Where the conflict arises as a result of an item on the agenda for Healthwatch xxx Board meetings, appropriate action to be taken will be decided by a simple majority vote of the Board. A quorum must be present excluding the interested party who may not vote on matters reflecting their own interests. The Chair has ultimate responsibility for agreeing how to manage any conflict of interest if there is a tied vote.

Options available include but are not limited to:

* Withdrawing from the room for all or part of the discussion.
* Remaining in the room but not taking part in the discussion.
* Taking part in the discussion but not having voting rights.
* Restricting access to papers in advance of the meeting.
* No action to be taken.

Each matter will be assessed on its own merit and the action taken will be noted in the minutes of the Board Meeting, which are publicly available via Healthwatch xxx’s website.

For standalone organsiations only:

Where a Board member benefits from a decision, this will be reported in the annual report and accounts in accordance with the current ‘Charities Statement of Recommended Practice’.

### Failure to declare an interest

It is the responsibility of each individual to keep their declaration of interests record up to date.

If an individual fails to declare an interest, but that interest is known to others, then the interest can be declared by another individual. Everyone should speak up if they have any concerns about how conflicts of interest are being managed.

If it is discovered after the event that an interest has not been disclosed, then the interested party will be asked to provide a written explanation of the reasons why the information was withheld.

Depending on the nature of the breach of policy, it may be decided that no action is required other than ensuring the register of interest is updated, or in serious cases a suspension or termination of activity may be considered.

### Data protection

The information provided will be processed in accordance with data protection principles and will only be processed to ensure that individuals act in the best interests of Healthwatch xxx. The information provided will not be used for any other purpose.

### Review of policy document

The Board of Healthwatch xxx will review the effectiveness of the conflicts of interest policy and procedures set out in this document every one / two / three years (delete as appropriate).

Any amendments to this policy and the procedures governing conflicts of interest will require a simple majority of Board members voting in favour.

The amended policy document will be published on the website of Healthwatch xxx as soon as is practicable.

### Procedures

Reference to ‘Board’ incorporates Advisory Boards where the Local Healthwatch is hosted and Governing Boards where the Local Healthwatch is standalone. Healthwatch xxx undertakes to carry out the following procedures:

1. The conflicts of interest policy and procedures will be published on Healthwatch xxx’s website.
2. All Healthwatch xxx employees and volunteers (including Board volunteers) will be required to complete a declaration of interest form upon commencement of employment or volunteering opportunity.
3. All Healthwatch xxx staff and volunteers (including Board volunteers) will read the policy and procedures document at least once per year to refresh understanding and awareness of individual responsibilities regarding conflicts of interest.
4. All staff and volunteers (including Board volunteers) will update their register of interest annually, or as soon as possible following any changes in individual circumstances.
5. Healthwatch xxx board meetings will have processes in place to note interests of Board members and attendees. The minutes of the board meetings are public documents and will provide documentary evidence of how those potential conflicts were managed.
6. Activities of Healthwatch xxx staff and volunteers will ensure interests of those involved in that activity are made known to all interested parties, and appropriate action taken in accordance with the policy above.
7. These policy and procedures will be reviewed on one / two / three-year basis and Board approval, incorporating any changes, will be noted in the minutes of a Board Meeting. Changes will be made and published on Healthwatch xxx’s website as soon as is practicable.

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| **Conflict of interest policy and procedures** |
| Version | 0.1 |
| Author | Insert name here |
| Approved by | Board of Healthwatch xxx |
| Date approved | Insert |
| Effective date | relevant |
| Review date | dates |