**Healthwatch Telford and Wrekin**

 **Conflict of Interest Policy**

|  |  |
| --- | --- |
| Index Ref | PP16 |
| Date Approved by Board | 9 July 2018 |
| Date of Staff Consultation | Not Applicable |
| Number of Pages | 7 |
| Number of Appendices | 1 |
| Issue Number | v2 |
| Date of First Issue | 1-Oct-2013 |
| Date of Next Revision | 01 July 2019 |
| Date of Last Revision | 2018 |

**Contents**

[1 Background 3](#_Toc515619672)

[2 Policy 4](#_Toc515619673)

[2.1 Legal Framework 4](#_Toc515619674)

[3 Conflict of Interest Procedures 5](#_Toc515619675)

[4 Appendix A: Interest and Conflict of Interest Register 7](#_Toc515619676)

# Background

Inevitably in practice, directors have a wide range of interests – in private, public and professional life, and these interests might, on occasions, conflict. A director’s duty is to remain independent and act for the benefit of the whole organisation, and not come under the influence of another organisation. When Board members perform their duties, attend meetings, and make decisions, outside interests have to be left outside or, if they cannot, then they need to be properly managed.

The Companies Act 2006 provisions for conflicts of interest for company directors. This indicates that a director of a company must avoid any situation in which they have, or can have, a direct or indirect interest that conflicts or may conflict with the interests of the company. This applies to the exploitation of property, information or opportunity, except when the conflict of interest arising in relation to a transaction, arrangement with the company, or matter, has been authorised by the directors, and this does not conflict with the company constitution.

 These requirements are:

* Duties to avoid conflicts of interest
* Not to accept benefits from third parties
* To declare an interest in proposed transactions.
* To disclose the nature and extent of interests in an existing transaction or arrangement.

A **‘conflict of interest’** arises when a director’s independence and interests influence or may potentially influence the performance of their duties as a company director in the best interests of the company. Conflicts of interest may persist over time - for example a director who is associated with another local organisation/charity/company, may not involve some benefit for the director, or conflict may exist for a specific single occurrence – such as the awarding of a contract.

A **‘conflict of loyalty’** is a kind of conflict of interest where the duties owed to the company by a director conflict with those they also owe for /to another body or organisation.

Conflicts can give rise to several problems and ultimately may result in directors being in breach of their statutory duties, so conflicts need to be managed carefully and with transparency. Conflicts or appearance of conflicts may:

* Result in decisions or actions that are not in the best interests of the whole company.
* Put the company reputation at risk because of the appearance or public impression that the company has acted improperly.
* Prevent frank, open and unbiased discussion between directors
* Damage the company’s reputation
* Risk by individuals of offences of being in breach of statutory duties

# Policy

All directors will perform their statutory duties as required by Company law with respect to avoiding situations in which the director has or can have a direct or indirect interest that conflicts or may conflict with the interests of Healthwatch Telford and Wrekin, and by declaring their interests and any conflicts of interest or potential conflicts of interest in matters for decision and / or proposed transactions.

All directors will observe the Healthwatch Code of Conduct and seek to uphold the Nolan principles of public life.

Healthwatch is committed to ensuring its decisions and decision-making processes are, and are seen to be, free from influence and personal bias, and that they do not unfairly favour an individual or organisation connected with the company.

A ‘conflict of interest’ may arise when the duties and interests of an individual director are, or could be, different from the best interests of the company itself. This may be something that affects the director directly, or indirectly, through a family member, friend, business partner or association.

Healthwatch will:

* Ensure every director registers their interests that might give rise to a conflict.
* Ensure every director understands what constitutes a conflict of interest and understands that they have a responsibility to recognise and declare any conflicts that might arise for them.
* Carefully consider any potential conflict of interest and seek to manage in the correct way.
* Document the conflict of interest, and the action(s) taken to ensure that the conflict does not influence or affect the discussions and decision making of the company.
* Maintain a register of interests that records conflicts or potential conflicts of interest declared.

## Legal Framework

Healthwatch shall act in accordance with the following legislation:

* Companies Act 2006
* Health and Social Care Acts 2007, and 2012
* Freedom of Information Act 2000
* General Data Protection Regulations 2018
* The Information Sharing Agreement between Healthwatch England, Care Quality Commission, and Local Healthwatch.

# Conflict of Interest Procedures

The Board Chair will ensure all interests and declared conflicts of interest are entered in the Healthwatch Telford & Wrekin Board Interests and Conflicts of Interest Register.

Every formal Board meeting, whether in Public or not, will include an agenda item for disclosure of any interests, changes of interests, conflicts of interest or potential conflicts of interest.

When a director identifies a conflict of interest or potential conflict of interest at a meeting or at another time, they must declare the conflict or potential conflict as soon as they become aware of it.

If a conflict is identified at a Board meeting, the nature of the interest and conflict/potential conflict will be minuted in the appropriate Board papers with an action for the Interests and Conflicts of Interest Register to be updated after the meeting.

The Board of directors may in limited cases authorise a declared conflict if it does not conflict with the articles and constitution of the company. Any such decision must be made in a Board meeting which must be quorate without counting the director concerned.

Where a director has a financial interest in a matter under discussion they should declare the interest and withdraw from the room, unless they have dispensation to speak.

Where a director has any interest in a matter under discussion which creates a real danger of bias (interest affects the director or a member of their family/ household) more than generally affected by any decision, they should declare the nature of the interest and withdraw from the room, unless the director has been given dispensation by the board directors to speak.

Where a director has any other interest, which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they must declare the nature of the interest, but may remain in the room, participate in discussions and participate in the decision-making process. However, in the interests of frank and open discussion, a director with such an interest or conflict may be asked by the Board Chair (or Deputy Chair) to leave the room while the related matter is discussed and /or decision process followed

If there is any doubt about the application of these procedures, the Director should consult with the Board Chair and seek guidance (which may be treated as confidential) as appropriate.

The Director with a conflict may not be counted within the number of directors present regarding the Board **quorum** for the relevant matter under discussion or decision made. This will not affect the quorum for other unrelated matters of the meeting or unrelated decisions.

The minutes of the directors meeting will record:

* The Director and declared conflict
* Whether the Director left the room for the relevant matter, or whether they were asked to stay, and the reason for this.
* Confirmation that the Director did or did not take part in discussion and / or decision making on the relevant matter.
* That the meeting was quorate (not including the affected Director) for the matter /decision
* Any other actions noted or to be taken to manage the declared conflict or a potential conflict of interest.

# Appendix A: Interest and Conflict of Interest Register

The register will include as a minimum the following information:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of Director | Date Interest Identified | Details of Interest, Conflict /Potential Conflict of Interest, and changes | Format of Notification*(verbal, written notice)* | Action (s) to be / taken | Date of Change |