

Community Action Hampshire – trading as Action Hampshire

Conflict of Interest Policy for Staff and Trustees and Volunteers and Consultants

1. Introduction - What is a conflict of interest and why we have this policy

A conflict of interest is any situation in which a staff member, trustee, other volunteer or consultant to Action Hampshire has personal interests, or interests which they owe to another body, which conflict, or appear to conflict, with the interests of the charity.

However it must be noted that this policy applies to any conflict of interest where it occurs.

Action Hampshire recognises that it is inevitable that conflicts of interest will occur. The purpose of this policy is not to question the integrity of the individual concerned, but rather the management of any potential to profit from a person's position, or to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the reputation of Action Hampshire, so conflicts and potential conflicts need to be managed carefully.

The Action Hampshire Conflicts of Interest Policy provides for:

- A 'disclose always' approach
- The management of conflicts of interest where they arise
- Prohibition of conflicting activity to protect Action Hampshire's interests, and the interests of Action Hampshire's members and the wider not-for-profit sector whom we serve.

If members of staff or trustees are unsure what to do in any situation then guidance can be sought in the first instance from your line manager or the Company Secretary.

2. Process of Disclosure and Review

The most important message in this document is that staff/trustees and volunteers should always disclose an activity if they are in doubt about whether it represents a conflict of interest. To this end Action Hampshire has a Register of Interests administered by the Company Secretary.

After appropriate evaluation of the issue, the Company Secretary may well find that there is no conflict of interest. Conversely, the Company Secretary may determine that a given situation raises some questions of propriety and requires a higher level of review. For each situation, the Company Secretary shall create a written record of his or her determination that the situation either is acceptable, unacceptable, or requires review at a higher level.

3. Staff and Conflicts of Interest

For the purpose of this policy the main categories of conflicts of interest for staff are:

- (i) Mission
- (ii) Financial Interest
- (iii) Commitment and Loyalty

(i) Mission

Action Hampshire's employees should ensure that the work they carry out for Action Hampshire links clearly to and supports the organisations' mission and objectives.

(ii) Conflicts of Financial Interest

Action Hampshire's employees have a primary responsibility to respect and promote the financial interests of the organisation. To this end staff may not use their employment with Action Hampshire for pecuniary gain for themselves (in addition to paid employment), or their friends/relatives or other organisations with which they are involved.. In circumstances where Action Hampshire feels it is necessary to protect against unfair exploitation of its legitimate interests, Action Hampshire reserves the right to add 'restraint of trade' clause to a contract of employment. Legitimate interests include:

- design and delivery of training – including the use of materials and content developed through Action Hampshire, particularly where Action Hampshire holds copyright
- promotion of consultancy services – including the use of materials and content developed through Action Hampshire
- support for social enterprise development in Hampshire and the surrounding area

Whilst in employment with Action Hampshire, staff should ensure that Action Hampshire:

- receives appropriate financial benefits from the provision of any services
- receives appropriate financial benefits from the use or commercialisation of its intellectual property
- receives appropriate financial benefits from the use of other resources and assets, including equipment, technical staff and facilities
- makes responsible use of its financial resources in relation to the purchase of goods as specified in Action Hampshire's Financial Procedures
- receives any non-financial recognition for its work

(iii) Conflicts of Commitment and Loyalty

Action Hampshire's employees owe commitment and allegiance to Action Hampshire. Membership of Committees, Boards, Advisory Groups etc, or outside employment, implies an obligation, and sometimes a statutory duty, to act in the best interests of the external body. These duties may conflict with those duties and obligations as employees of Action Hampshire. Where an external appointment is agreed, this does not absolve the employee from ensuring that he or she continues to give their primary commitment and allegiance to Action Hampshire. Managing conflicts of commitment is primarily a matter for individual staff and their line manager.

Staff must always disclose an activity if they are in doubt about whether it represents a conflict of interest. Interests must be lodged with the Company Secretary who administers the Action Hampshire Register of Interests. Failure to act in accordance with this policy may result in disciplinary action for existing employees, or in the case of former employees' possible legal action.

4. Trustees and volunteers and Conflicts of Interest

Conflicts of interest for Trustees and volunteers may come in a number of different forms:

- direct financial gain or benefit to the trustee, such as:
 - payment to a trustee for services provided to the charity
 - the award of a Action Hampshire contract to another organisation in which a trustee has an interest and from which a trustee will receive a financial benefit
 - the employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the employment
- indirect financial gain, such as:
 - employment by the charity of a spouse or partner of a trustee, where their finances are interdependent
- non-financial gain, such as:
 - when a user of Action Hampshire's services is also a trustee
- conflict of loyalties, such as:
 - where a trustee is appointed by the local authority or by one of the charity's funders where a friend of a trustee is employed by the charity.

The law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so. "Benefit" includes any property, goods or services which have a monetary value, as well as money.

Transparency is achieved by requiring explicit authorisation of any benefit, and by ensuring that any particular conflict of interest is properly and openly managed. Trustees and volunteers need to be aware that they should seek authorisation, from the Chairman of the Board of Trustees and Company Secretary where there is the potential benefit or conflict of interest. In order to avoid a breach of trust and to ensure transparency, authority is required where there is a possibility of benefit. This will avoid accusations of impropriety, which could in turn have a damaging effect on Action Hampshire's reputation and undermine its mission.

Outside of the Trustee role, Action Hampshire defines other volunteers for the organisation as those who choose to give their time and energy for the benefit of other people through the work of Action Hampshire without being paid for it. So a volunteer can only claim reasonable out of pocket expenses such as travel, or subsistence expenses that enable them to undertake their volunteering activities. Volunteers do not have a contract to provide services to Action Hampshire. A volunteer may have a description of role and code of conduct – this does not constitute a contract for services.

For the purpose of this policy the main categories of conflicts of interest for Trustees and volunteers are:

- (i) Payments to Trustees and volunteers
- (ii) Other potential conflicts of interest

(i) Payments to Trustees and volunteers

Action Hampshire is committed to repay reasonable out of pocket expenses to trustees and other volunteers. Those costs necessary to allow a trustee or volunteer to carry out his or her duties on behalf of Action Hampshire can be classed as expenses and recovered from or met directly by Action Hampshire.

(ii) Other potential conflicts of interest

Where a trustee has a conflict of interest or loyalties on a particular issue, but there is no potential for profit, in accordance with the Action Hampshire Memorandum and Articles of Association they are required to declare his or her interest to the Chairman of the Board of Trustees and take no part in deciding that issue. Any requirement of this kind must be strictly complied with.

5. How a conflict of interest is managed for Trustees and volunteers

If the Trustee Board, or any member of Action Hampshire staff has identified a conflict of interest, the Company Secretary will ascertain whether or not the trustee or trustees or volunteer involved will receive a material benefit from the conflict of interest and, if so, whether the benefit is authorised.

If the Action Hampshire Memorandum and Articles of Association document does provide authority, the Trustee Board must ensure that the authority is used appropriately, and that the necessary arrangements are in place to manage the conflict of interest.

If the benefit from which the conflict of interest arises is not authorised by our governing document, the Company Secretary will apply to the Charity Commission for the necessary authority.

All trustees and volunteers need to be alert to possible conflicts of interest which they might have and to how they can minimise their effects. A key aspect of minimising the effects of conflicts of interest is to be open and transparent about such situations when they arise.

All Trustees and volunteers should advise Action Hampshire of any actual or potential conflicts of interest of which they are aware, as soon as they arise. Equally Action Hampshire staff need to be aware of potential conflicts of interest for volunteers and advise them to take appropriate action to avoid such incidents. To this end, the Company Secretary will ensure that a trustees' register of interests is established and regularly updated.

At the beginning of a trustee or other meeting, every Trustee and volunteer should declare any private interest which he or she has in an item to be discussed.

REMEMBER: THE OVERRIDING PRINCIPLE IS THAT IF IN DOUBT, DISCLOSE.

6. Consultants

Consultants with a contract to provide services to Action Hampshire are also required to divulge any outside interests that could create a conflict of interest and/or introduce bias into their professional judgement. Such disclosures should be made to the staff member contracting for the service, and appropriate determination shall be made.