



Conflicts of interest policy

This policy is designed to help staff, volunteers and office holders understand conflicts of interest: where they might occur, how they can be avoided and how to manage them when they are identified.

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| Policy owner | Chief Executive |
| Policy lead | Head of Governance and CEO's Office |
| Audience | Office holders, staff and volunteers, third party organisations and contractors undertaking work on our behalf |
| Legislation and regulation | <i>Charities Act 2011</i> |
| Formally endorsed by | Board of Trustees |
| Endorsement date | March 2018 |
| Next review | March 2021 |

1 Introduction

- 1.1 We recognise that while it may not always be possible to keep personal connections and interests entirely separate from one's professional life, transparency and the avoidance of any perceived or actual conflict of interest is essential in ensuring the public's trust and confidence in the British Red Cross and our workforce.
- 1.2 A conflict of interest is any situation in which the personal interests or loyalties of staff, volunteers or office holders could influence or affect their decision-making in relation to their work. Conflicts of interest may arise where personal or family interests and/or loyalties conflict with those of the organisation.
- 1.3 This policy is designed to help staff, volunteers and office holders understand conflicts of interest: where they might occur, how they can be avoided and how to manage them when they are identified. Implementation of this policy is supported by the [Managing Conflicts of Interest Procedure](#).
- 1.4 For the purpose of this policy 'office holders' are individuals who hold positions of responsibility as members of governing bodies in the organisation, for example the Board of Trustees or its sub-committees, our commercial trading arm Britcross and the executive leadership team (ELT). Office holders may also be staff, volunteers or external members co-opted for their expertise.
- 1.5 This policy also applies to all third party organisations (and their staff, volunteers and office holders) and contractors that carry out work on our behalf.

2 Policy statement

2.1 Staff, volunteers and office holders must:

- > Seek to avoid situations in which they have a direct or indirect interest which conflicts with the interests of the British Red Cross, the Movement or our **Fundamental Principles**.
- > Ensure that their private or personal interests do not influence their decisions, and that they do not use their position to obtain personal gain.

2.2 In circumstances where a conflict of interest cannot be avoided this must be declared and managed appropriately.

Types of conflict of interest

2.3 There are three common types of conflict of interest. These are situations where a volunteer or staff member:

- > Could obtain a direct financial benefit.

Example: a payment to a company in which the staff member or volunteer has a financial interest for a service provided to the organisation.

- > Could obtain an indirect financial benefit.

Example: where an office holder's spouse or other close relative is employed by the organisation and could benefit from decisions made by the office holder.

- > Has loyalty to or a relationship with another organisation or person which conflicts with their loyalty to the British Red Cross or which may impede their ability to carry out their job.

Example 1: where a volunteer, staff member or office holder has formal links with another organisation competing with the British Red Cross.

Example 2: where a volunteer, staff member or office holder has a close personal relationship with a colleague which may affect their objectivity in relation to their role and responsibilities¹.

2.4 The interests of a person connected with a volunteer, staff member or office holder (for example spouse, civil partner, child/stepchild, or a company with which an office holder is associated) should be treated as an interest of that volunteer, staff member or office holder.

Declaration of interests

2.5 Volunteers, staff and office holders must disclose and discuss any potential conflict of interest with their line manager (or in the case of office holders, to the head of governance and CEO's office, or the Chair) at the earliest opportunity. Where necessary, the line manager will seek further guidance from their human resources

¹ In particular, the British Red Cross seeks to ensure that staff do not have managerial responsibility for or decision making authority over an individual they had a close personal relationship with.

representative. A note of the discussion and agreed outcome will be kept on the individual's file.

- 2.6 The Governance Support Unit (GSU) will keep a central record of interests for all office holders (the central register of interests). Information supplied on the declaration of interests for the office holders must be reviewed at least annually and updated as and when relevant interests change during the year.
- 2.7 Staff and volunteers should declare any positions they hold or membership, whether paid or unpaid, with any organisation(s) that may lead to a conflict of interest, and may not use their British Red Cross membership to gain advantage when seeking political or other office. They must declare also any relationships with any person who has direct influence over their employment or engagement with the British Red Cross. Declarations should be made to their line managers and records kept locally. The GSU will supply template forms for declarations, which should be kept with relevant employee files at a local or departmental level. Template forms will provide examples and guidance.
- 2.8 We will consider the implications of any such declaration and take whatever action is required to ensure that the conflict of interest will not unduly influence decisions, responsibilities or normal working behaviour.
- 2.9 The person to whom the declaration is made must treat any information sensitively and respect any request for confidentiality but must ensure that it is recorded and accessible as necessary, for example a job application.
- 2.10 When an interest is declared, the **Managing Conflicts of Interest Procedure** must be used in order to determine whether there is a conflict or not.
- 2.11 It should be noted that in accordance with our Standing Orders, a Trustee may not also serve as a Volunteer Representative or President.

Employee partners (office holders)

- 2.12 An office holder may have a partner who is a paid employee (the 'employee partner'). However, a person may not be appointed as an office holder if he or she is the partner of a member of ELT.
- 2.13 Office holders must always withdraw from any meeting and the procedure set out above should be followed where any of the following is being discussed:
 - > the continued appointment, remuneration, or other terms of employment of an employee partner;
 - > the appointment, remuneration, or other terms of employment of other employees, where this might affect the employee partner; or
 - > any other issue relating to the performance or conduct of the employee partner, or of any other employee (s) which might affect the employee partner.
- 2.14 In addition to the above, candidates for, and those serving in, the position of trustee or Volunteer Representative should consider the possible risk to the organisation

which could be caused by their having a close relationship (family, business or other) with a paid staff member.

- 2.15 Trustees must also declare if a partner holds the position of Volunteer Representative or President at a local level.

Awarding of contracts and recruitment of consultants

- 2.16 No staff, volunteers or office holders should be involved in awarding or subsequently managing any contracts or projects to any company or person with whom they have any financial or personal interest.
- 2.17 In such situations, we reserve the right to transfer, or as a last resort dismiss, a staff member who holds a financial or personal interest with a contractor, supplier or consultant following consultation with her/him.
- 2.18 Contractors, consultants and third party organisations must be asked to declare conflicts of interest during the recruitment/contracting process or during set-up of working partnership.

Gifts, legacies and hospitality

- 2.19 From time to time, staff, volunteers or office holders may be offered gifts or other benefits in the course of their work. There are occasions when gifts of little intrinsic value are offered by grateful clients, where a refusal to accept them could cause offence. In other circumstances, however, offers of gifts could be construed as attempts to gain preferential treatment or unfair advantage.
- 2.20 Similarly, staff, volunteers and office holders should not accept lavish hospitality or any hospitality which could be interpreted as a means of influencing the manner in which they carry out their duties, nor should they offer such hospitality
- 2.21 If gifts, legacies or hospitality are offered by service users – rather than clients or partners – careful consideration must also be given to safeguarding issues. For this reason staff and volunteers working within UK Operations must also refer to the [Supporting People to Manage Their Money Procedure](#). This procedure contains very clear parameters to safeguard service users from financial abuse and also to protect UK Operations staff and volunteers when managing offers of gifts, legacies or hospitality in the course of their work.
- 2.22 Office holders must declare offers of gifts or hospitality, which should be recorded on the central register of interests held by GSU.
- 2.23 Non-office holders (other staff and volunteers) should inform their line manager of offers of gifts or benefits, if possible in advance of accepting them. The line manager will make the decision on whether gifts or benefits can be accepted, and record that decision in a local register of interests (template supplied by GSU). Where necessary, they will consult with their executive or UK director.
- 2.24 Staff and volunteers should take a common sense approach to recording gifts. There is no financial threshold for what is considered a recordable or acceptable gift

as this will vary depending on the circumstances². The value of the gift to the giver should be considered, as should the nature of the relationship to the giver.

- 2.25 If they are accepted, how they are used will depend on the type and value of the item. The individual may keep gifts of little intrinsic value. However, in other cases it may be more appropriate for items to be shared with colleagues or used in the office or, in the case of gifts of greater value, for them to become the permanent property of the British Red Cross. We also encourage gifts to be used for fundraising purposes (raffles, for example) – individuals running raffles should refer to the lotteries, prize competitions and free draws guidance available on redroom.
- 2.26 Individuals who believe that they might be named as a beneficiary of a legacy as a direct result of carrying out work on our behalf are under obligation to notify their line manager (or, for office holders, GSU) in advance. It is essential that the legator fully understands that his or her legacy should be paid to the British Red Cross and not to an individual. Further guidance can be sought from the legacy team.

Permitted benefits (office holders only)

- 2.27 The law imposes strict limits on the benefits that may be conferred on charity trustees. The **Royal Charter** provides that trustees must not receive any payment of money or other benefit directly or indirectly from the organisation and may not be appointed to a paid or otherwise remunerated office of the organisation, except:
- > interest on money lent at a reasonable and proper rate per annum not more than 2% below the published base lending rate of a clearing bank to be selected by the Board;
 - > reasonable and proper rent for premises let;
 - > fees, remuneration or other benefits in money or money's worth to a company of which a trustee may be a member holding not more than 1/100th part of the capital of the company;
 - > reasonable and proper out-of-pocket expenses incurred in connection with attendance at meetings of the Board, Board committees or otherwise in connection with the discharge of a Trustee's duties, consistent with our **travel and expenses policy**; and
 - > payment of reasonable and proper premiums for Trustees' indemnity insurance.
- 2.28 We apply the same restrictions on permitted benefits to all (non-trustee) office holders.

3 Responsibilities

- 3.1 The **Board of Trustees** has overall accountability for ensuring we manage conflicts of interest consistent with legislation, regulation and good practice.

² For example, a £10 box of chocolates from a supplier which has been sent to all clients as a standard Christmas present would not be equivalent to a volunteer accepting the same gift from a service user who has little money.

- 3.2 The policy owner at ELT level is the **Chief Executive**.
- 3.3 The **executive leadership team** and the leadership group are responsible for ensuring this policy is implemented in their directorates and teams, including ensuring that registers of interests are maintained.
- 3.4 The **head of governance and CEO's office** has responsibility for maintaining the central register of interests for office holders and ensuring its accuracy.
- 3.5 All **staff, volunteers and office holders** are responsible for ensuring that they declare interests and relationships in line with this policy.

4 Laws and regulations

- 4.1 This policy meets our statutory obligation in relation to trustees' duty to avoid a conflict of interest and has been written in line with guidance provided by the Charity Commission (*Conflicts of interest: a guide for trustees*).

5 Monitoring and compliance

- 5.1 The head of governance and CEO's office is responsible for maintaining the central register of interests for office holders, and for ensuring its accuracy.
- 5.2 Each Executive Director is responsible for managing any conflicts of interest that arise in their directorates consistent with this policy and accompanying procedure.

6 Review and maintenance

- 6.1 This policy was last reviewed in March 2018. It is next scheduled to be reviewed in March 2021.

7 Appendices

- 7.1 Appendix 1: related documents
- 7.2 Appendix 2: document provenance
- 7.3 Impact assessments summary:
 - 7.3.1 *Privacy impact assessment: not required*
 - 7.3.2 *Equality impact assessment: not required*
 - 7.3.3 *Environmental impact assessment: not required*

Appendix 1: related documents

| Document title | Relationship to this document |
|---|--|
| Managing conflicts of interest procedure | Supporting procedure, outlining steps to be taken if a conflict of interest is identified. |
| Declaration of interest template (office holders) - Available on request from Governance | To be used by the Board, Board Committees, ELT, UKMT and Volunteer Representatives when declaring potential conflicts of interest. |
| Declaration of interest template (staff and volunteers) | To be used by staff and volunteers when declaring potential conflicts of interest. |
| Declaration of interest template (third parties) | To be used when contracting third parties to undertake work on our behalf. |
| Gifts and hospitality register template | To be used by directorates and offices when setting up gifts and hospitality register. |
| Supporting People to Manage their Money Procedure | Procedure for staff and volunteers in UK Operations – covers acceptance of gifts. |

Appendix 2: document provenance

| Date endorsed | Category | Summarise changes made | Reason for changes | Consulted | Changes endorsed by |
|---------------|------------------|--|--|--|---------------------|
| 24 March 2015 | Scheduled review | Clarification of definition of conflict of interest along with clear examples of types; responsibilities of 'office holders' and how these differ from general staff and volunteers; and improved standards around recording of gifts, hospitality and legacies. | Scheduled review. | > Legal; Contracts; Policy reward and employee relations; Legacies manager; Fundraising. | Board of trustees |
| 22 July 2016 | Interim update | Transferred to corporate policy template; added reference to procedure which supports policy implementation. | Interim updates required following procedure approval. | > All Directorates consulted. | Head of Governance |
| March 2018 | Scheduled review | Minor edits to reflect organisational change, and to ensure the policy and procedure remain fit for purpose | Scheduled review | > People and Learning; Legal; International Law; Governance | Chief Executive |