

1 Conflicts of Interest Policy

Policy Owner: Elizabeth Duggan / F&G Committee

Frequency of review: Every 2 years unless management or legislation require it sooner.

Revision Date	Reviewed by	Revisor	Description of Revision
27 th February 2020	F&G Committee	Elizabeth Duggan	Policy approved
27 January 2022	F&G Committee	Elizabeth Duggan	
23 January 2024	F&G Committee	Jackie Pocock	Minor amends and addition of approval by F&G of grants awarded to companies linked to Board Members

Conflicts of Interest Policy

Active Surrey Board Members and Active Surrey employees have an obligation to act in the best interests of the Active Surrey Board and Active Surrey (the 'Active Partnership' or 'AP') and to avoid situations where there may be a potential conflict of interest.

Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of Active Surrey and the Active Partnership. Such conflicts may create problems; they can:

- Inhibit free discussion and impartiality of decision making.
- Result in decisions or actions that are not in Active Surrey's interests.
- Risk the impression that Active Surrey has acted improperly.
- Risk the reputation of key partners and funders.

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



Board Members and employees must declare any personal or business interests, which may conflict with their responsibilities. Such conflicts must be identified at an early stage so that appropriate action can be taken to resolve them.

Employees must also declare any gifts or hospitality received in connection with their role at Active Surrey.

If an individual is not sure what to declare, or whether/when a declaration needs to be updated, they must err on the side of caution. Individuals may contact the Partnership's Managing Director to discuss and seek confidential guidance on any such matters.

All financial approvals are reviewed against the strategic intentions of funding agreements to ensure funding is used as intended.

2 Register of Interests

- 2.1 Active Surrey maintains a Register of Interests appropriate to its activities, which includes the interests of close family members (see 2.3).
- 2.2 The Register of Interests is also used to record all gifts of a value over £25 received by employees.
- 2.3 New Board Members / employees are required to complete a Declaration of Interests Form on appointment and must inform the Partnership's Managing Director as changes occur.
- 2.4 Each Board Member / employee is asked to update his or her declaration on an annual basis.
- 2.5 The Register of Interests is open to the public, unless individual members have specifically requested that their interests not be disclosed. The Register is updated on an annual basis and includes steps taken by the Board for dealing with conflicts and actions by Board Members to address the conflict.

3 Definitions

- 3.1 Interests are defined as:



- 3.2 **Direct financial interests** where a Board Member / employee stands to gain direct financial benefit from a decision.
- 3.3 **Indirect financial interests** where a close relative stands to benefit financially from a decision and where the financial affairs of the member and relative in question are bound through the legal concept of 'joint purse'.
- 3.4 **Non-financial interest or personal conflicts** where a Board Member /employee receives no financial benefit from the decision but continues to be influenced by external factors. This includes interests arising from membership of clubs and other organisations.
- 3.5 **Conflict of loyalties** where a Board Member / employee may have competing loyalties between the organisation to which they owe a primary duty and some other person or entity.
- 3.6 Specific examples of the above are outlined in Appendix A.
- 3.7 **Close family members** include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

4 Data Protection

- 4.1 The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that Board Members / Employees act in the best interests of Active Surrey and the Active Partnership. The information provided will not be used for any other purpose.

5 Guidance

- 5.1 In the absence of specific statutory provisions, common law requires that:
 - 5.1.1 Members of public bodies should not participate in the discussion or determination of matters in which they have a direct financial interest; and
 - 5.1.2 When an interest is not of a direct financial kind, Board Members should consider whether participation in the discussion or



determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that members might unfairly regard with favour, or disfavour, the case of a party to the matter under consideration.

In considering whether a real danger of bias exists in relation to a particular decision, Board Members should assess whether they, a close family member, a person living in the same household, or a forum/ business/other organisation with which the Board Member is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a Board Member was connected was significantly better placed than others to win it or where a member was a service user and involved in a decision directly affecting the service received.

- 5.2 For the avoidance of doubt, the above paragraph does not preclude the Partnership's Managing Director from deciding to issue an indemnity where individual Board Members / Employees have acted honestly, reasonably, in good faith and without negligence.

6 Procedures at Active Surrey Board Meetings

- 6.1 Board Members must declare as soon as practicable after a meeting begins whether they have an interest, pecuniary or other, in a matter being considered. Agendas for meetings must include an item to provide a clear opportunity for them to do so.
- 6.2 Board Members must also disclose any interest of which they are aware on the part of close family members and persons living in their household. In addition, members must consider whether they need to disclose relevant interests of other persons or organisations, which members of the public might reasonably think could influence their judgement.
- 6.3 Board Members must declare their interest(s) to the Secretary of the meeting, who will record the declaration in the minutes.
- 6.4 The Chair will decide which of the following options should be followed:

- 6.41. The Board Member should leave the meeting while the item is being



discussed¹.

- 6.42. The Board Member should be allowed to remain in the meeting while the item is being discussed, but should not be allowed to take part in the discussion or vote¹.
- 6.43. The Board Member should be allowed to speak on the item, but should not vote¹.
- 6.44. The Board Member should be allowed to speak and vote on the item.
- 6.5 All decisions under a conflict of interest will be recorded by the Secretary of the meeting and reported in the minutes of the meeting. The report will record:
- 6.6 The nature and extent of the conflict
- 6.7 An outline of the discussion
- 6.8 The actions taken to manage the conflict.
- 6.9 If a Board Member fails to declare an interest that is known to the Chair, the Chair will declare that interest.
- 6.10 Any Board Member may challenge another where they perceive that a conflict has not been declared. These challenges should be made to the Chair of the meeting, whose decision on the matter will be final. The Secretary of the meeting shall record the challenge and its outcome in the minutes.
- 6.11 In cases where Board Members are authorised by law to represent a group likely to be affected by the Partnership's decisions, the relevant statutory framework may permit Board Members to be involved, notwithstanding any direct pecuniary interest that they may have in the decision. However, Board Members should not overlook the possibility that specific statutory provisions may impose restrictions that are stricter than those described above. The Active Surrey Board may obtain legal advice where appropriate.
- 6.12 Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.
- 6.13 For any grants over £5,000 to organisations that are noted on the Conflict of Interest Register for Employees or Board Members, to be approved by



the Finance and Governance Committee.

7 Managing Contracts

- 7.1 If a Board Member or Employee has a conflict of interest, they will 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.

¹ A quorum must be present for the discussion and decision. Interested parties will not be counted when deciding whether the meeting is quorate.



8 Appendix A

Examples of conflicts of interest:

Direct financial interests:

- 8.1 The payment of a salary or professional fees to an Active Surrey Board Member.
- 8.2 The award of a contract to a company with which an Active Surrey Board Member is involved.
- 8.3 The award of a grant to a company with which an Active Surrey Board is involved.
- 8.4 The sale of property at below market value to an Active Surrey Board Member or related party.

Indirect financial interests:

- 8.5 The awarding of an employment contract to an Active Surrey Board Member's spouse.
- 8.6 Making a grant or other payment to a dependent child.

Non-financial or personal conflicts:

- 8.7 Influencing Active Surrey Board decisions on service provision to their own advantage.
- 8.8 Awarding contracts to friends.

