

## Managing Conflicts of Interest Policy

## Policy

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# 1. Policy Summary

Adhering to this policy will help to ensure that we use NHS money wisely, providing best value for taxpayers and accountability to our patients for the decisions we take.

As a member of staff you should...	As an organisation we will...
<ul style="list-style-type: none"> <li>• Familiarise yourself with this policy and follow it. Refer to the guidance for the rationale behind this policy <a href="https://www.england.nhs.uk/wp-content/uploads/2017/02/guidance-managing-conflicts-of-interest-nhs.pdf">https://www.england.nhs.uk/wp-content/uploads/2017/02/guidance-managing-conflicts-of-interest-nhs.pdf</a></li> <li>• Use your common sense and judgement to consider whether the interests you have could affect the way taxpayers' money is spent</li> <li>• Regularly consider what interests you have and declare these as they arise. If in doubt, declare.</li> <li>• <b><u>NOT</u></b> misuse your position to further your own interests or those close to you</li> <li>• <b><u>NOT</u></b> be influenced, or give the impression that you have been influenced by outside interests</li> <li>• <b><u>NOT</u></b> allow outside interests you have to inappropriately affect the decisions you make when using taxpayers' money</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that this policy and supporting processes are clear and help staff understand what they need to do.</li> <li>• Identify a team or individual with responsibility for:               <ul style="list-style-type: none"> <li>○ Keeping this policy under review to ensure they are in line with the guidance.</li> <li>○ Providing advice, training and support for staff on how interests should be managed.</li> <li>○ Maintaining register(s) of interests.</li> <li>○ Auditing this policy and its associated processes and procedures at least once every three years.</li> </ul> </li> <li>• <b><u>NOT</u></b> avoid managing conflicts of interest.</li> <li>• <b><u>NOT</u></b> interpret this policy in a way which stifles collaboration and innovation with our partners</li> </ul>

## 2. Introduction

Liverpool Heart and Chest Hospital NHS Foundation Trust (LHCH) and the people who work with and for us, collaborate closely with other organisations, delivering high quality care for our patients.

These partnerships have many benefits and should help ensure that public money is spent efficiently and wisely. But there is a risk that conflicts of interest may arise.

Providing best value for taxpayers and ensuring that decisions are taken transparently and clearly, are both key principles in the NHS Constitution. We are committed to maximising our resources for the benefit of the whole community. As an organisation and as individuals, we have a duty to ensure that all our dealings are conducted to the highest standards of integrity and that NHS monies are used wisely so that we are using our finite resources in the best interests of patients.

## 3. Purpose

This Policy will help our staff manage conflicts of interest risks effectively. It:

- Introduces consistent principles and rules.
- Provides simple advice about what to do in common situations.
- Supports good judgement about how to approach and manage interests.

This Policy should be considered alongside these other organisational Policies:

Freedom of Information Act 2000

ABPI: The Code of Practice for the Pharmaceutical Industry (2014)

ABHI Code of Business Practice

NHS Code of Conduct & Accountability (July 2004)

Freedom to Speak Up Policy

Standards of Business & Personal Conduct Policy

Anti-Fraud, Bribery & Corruption Policy

Personal Relationships at Work Protocol

LHCH Constitution

Secondary Employment Policy

## 4. Key Terms

A 'conflict of interest' is:

“A set of circumstances by which a reasonable person would consider that an individual’s ability to apply judgement or act, in the context of delivering, commissioning, or assuring taxpayer funded health and care services is, or could be, impaired or influenced by another interest they hold.”

A conflict of interest may be:

- Actual - there is a material conflict between one or more interests.
- Potential – there is the possibility of a material conflict between one or more interests in the future.

Staff may hold interests for which they cannot see potential conflict. However, caution is always advisable because others may see it differently and perceived conflicts of interest can be damaging. All interests should be declared where there is a risk of perceived improper conduct.

## 5. Interests

Interests fall into the following categories:

- **Financial interests:**  
Where an individual may get direct financial benefit<sup>1</sup> from the consequences of a decision they are involved in making.
- **Non-financial professional interests:**  
Where an individual may obtain a non-financial professional benefit from the consequences of a decision they are involved in making, such as increasing their professional reputation or promoting their professional career.
- **Non-financial personal interests:**  
Where an individual may benefit personally in ways which are not directly linked to their professional career and do not give rise to a direct financial benefit, because of decisions they are involved in making in their professional career.
- **Indirect interests:**  
Where an individual has a close association<sup>2</sup> with another individual who has a financial interest, a non-financial professional interest or a non-financial personal interest and could stand to benefit from a decision they are involved in making.

## 6. Staff

NHS England have published as a guidance some frequently asked questions for specific staff groups on the issues posed and how the guidance applies to you. These are available at [www.england.nhs.uk/ourwork/coi](http://www.england.nhs.uk/ourwork/coi)

At LHCH we use the skills of many different people, all of whom are vital to our work. This includes people on differing employment terms, who for the purposes of this policy we refer to as 'staff' and are listed below:

- All salaried employees.
- Non-Executive Directors
- Governors
- All prospective employees – who are part-way through recruitment.
- Contractors and sub-contractors.
- Agency staff; and
- Committee, sub-committee and advisory group members (who may not be directly employed or engaged by the organisation).

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<sup>1</sup> This may be a financial gain, or avoidance of a loss.

<sup>2</sup> A common sense approach should be applied to the term 'close association'. Such an association might arise, depending on the circumstances, through relationships with close family members and relatives, close friends and associates, and business partners.

## **7. Decision Making Staff**

Some staff are more likely than others to have a decision making influence on the use of taxpayers' money, because of the requirements of their role. For the purposes of this guidance these people are referred to as 'decision making staff.'

Decision making staff in this organisation are:

- Executive and Non-Executive Directors
- Members of the Operational Board
- Those at Agenda for Change 8a and above
- Staff who have the power to enter into contracts on behalf of the Trust (Procurement Team)
- Consultant Medical Staff

## **8. Identification, Declaration and Review of Interests**

### **8.1 Identification & declaration of interests (including gifts and hospitality)**

All staff should identify and declare material interests at the earliest opportunity (and in any event within 28 days). If staff are in any doubt as to whether an interest is material then they should declare it, so that it can be considered. Declarations should be made:

- On appointment with the organisation.
- When staff move to a new role or their responsibilities change significantly.
- At the beginning of a new project/piece of work.
- As soon as circumstances change and new interests arise (for instance, in a meeting when interests staff hold are relevant to the matters in discussion).

Declarations (including nil returns) must be submitted electronically via the staff intranet <https://lhch.mydeclarations.co.uk/home>. In order to log on you will be provided with a password. Further on line guidance and prompts are accessible via the system.

Divisional Heads of Operations (for Divisions) and the Executive team members (for corporate teams) have responsibility for ensuring compliance with this Policy.

The Director of Corporate Affairs has responsibility for maintaining and publishing the register of declared interests.

After expiry, an interest will remain on register(s) for a minimum of 6 months and a private record of historic interests will be retained for a minimum of 6 years.

### **8.2 Proactive review of interests**

Decision making staff will be prompted on a quarterly basis via internal comms to review declarations they have made and, as appropriate, update them or make a nil return. Divisional Heads of Operations will review the Divisional Register at least annually ensuring that all decision making staff have updated their interests in the previous 12 months (or made a nil return) and will consider any conflicts (potential or actual) as they arise and determine how these are to be dealt with (paragraph 10 refers).

Appendix 1 provides some examples of possible conflicts of interest.

## **9. Records and Publication**

### **9.1 Maintenance**

The organisation will maintain a Register of Interests.

### **9.2 Publication**

We will:

- Publish the interests declared by decision making staff bands 8a and above; Consultant medical staff, Board of Directors and members of the Procurement Team.
- Refresh this information at least annually.
- Make this information available via the Trust's website

If decision making staff have substantial grounds for believing that publication of their interests should not take place then they should contact the Director of Corporate Affairs to explain why. In exceptional circumstances, for instance where publication of information might put a member of staff at risk of harm, information may be withheld or redacted on public registers. However, this would be the exception and information will not be withheld or redacted merely because of a personal preference.

### **9.3 Wider transparency initiatives**

LHCH fully supports wider transparency initiatives in healthcare, and we encourage staff to engage actively with these.

Relevant staff are strongly encouraged to give their consent for payments they receive from the pharmaceutical industry to be disclosed as part of the Association of British Pharmaceutical Industry (ABPI) Disclosure UK initiative. These "transfers of value" include payments relating to:

- Speaking at and chairing meetings
- Training services
- Advisory board meetings
- Fees and expenses paid to healthcare professionals
- Sponsorship of attendance at meetings, which includes registration fees and the costs of accommodation and travel, both inside and outside the UK
- Donations, grants and benefits in kind provided to healthcare organisations

Further information about the scheme can be found on the ABPI website:

<http://www.abpi.org.uk/our-work/disclosure/about/Pages/default.aspx>

## **10. Management of Interests – general**

If an interest is declared but there is no risk of a conflict arising then no action is warranted. However, if a material interest is declared then the general management actions that could be applied include:

- restricting staff involvement in associated discussions and excluding them from decision making



- removing staff from the whole decision making process
- removing staff responsibility for an entire area of work
- removing staff from their role altogether if they are unable to operate effectively in it because the conflict is so significant

Each case will be different and context-specific, and LHCH will always clarify the circumstances and issues with the individuals involved. Staff should maintain a written audit trail of information considered and actions taken.

Staff who declare material interests should make their line manager or the person(s) they are working to aware of their existence.

## **11. Management of Interests – common situations**

This section sets out the principles and rules to be adopted by staff in common situations, and what information should be declared.

Individuals are not required to declare all associations they may have outside the LHCH, only those which relate to or could impact on the activities of the LHCH. Individuals should register all relevant interests and should declare any relevant interest when dealing with or discussing a matter to which it is pertinent. Relevant interests may include both financial and non-financial interests. The test of relevance is whether the interest might reasonably be thought by the public to affect the way in which an individual discharges his or her duties. The test therefore is not just whether an individual's action will be influenced by the interest but whether the public might reasonably think that this may be the case.

Only current interests need normally to be declared, but it is possible that on occasions a past interest will or could influence present behaviour. Individuals should assess the relevance and necessity to divulge this information and whether this interest will also need to be declared.

It is impossible to prescribe a comprehensive set of rules on interests. Examples of possible conflicts of interest can be found in Appendix 1. This list is not exhaustive. Appendices 2 and 3 contain extracts from the Constitution and define “material” interests that must be declared by Governors and Board of Directors respectively.

If Individuals covered by this policy have interests not specified here but which they believe could be regarded as influencing their actions carrying out their role they should declare them. Individuals are best placed to know their duties with other bodies and associations and where these might conflict with the objectives and business of LHCH. As a general rule, individuals have a personal duty and responsibility to make all necessary declarations and, if in any doubt, the individual must discuss and seek advice from their Line Manager or the Director of Corporate Affairs on whether or not the issue does or does not constitute a conflict of interest. Any such considerations must be documented.

However, neither the LHCH nor individuals covered by this policy are under an obligation to search out links between one company or organisation or another of which they are unaware and could not reasonably be expected to be aware.

## 11.1 Gifts

- Staff should not accept gifts that may affect, or be seen to affect, their professional judgement.

Gifts from suppliers or contractors:

- Gifts from suppliers or contractors doing business (or likely to do business) with the organisation should be declined, whatever their value.
- Low cost branded promotional aids such as pens or post-it notes may, however, be accepted where they are under the value of £6<sup>3</sup> in total, and need not be declared.

Gifts from other sources (e.g. patients, families, service users):

- Gifts of cash and vouchers to individuals should always be declined.
- Staff should not ask for any gifts.
- Gifts valued at over £50 should be treated with caution and only be accepted on behalf of LHCH as a charitable donation to LHCH and not in a personal capacity. These should be declared by staff.
- Modest gifts accepted under a value of £50 do not need to be declared.
- A common sense approach should be applied to the valuing of gifts (using an actual amount, if known, or an estimate that a reasonable person would make as to its value).
- Multiple gifts from the same source over a 12 month period should be treated in the same way as single gifts over £50 where the cumulative value exceeds £50.

### 11.1.1 What should be declared

- Staff name and their role with the organisation.
- A description of the nature and value of the gift, including its source.
- Date of receipt.
- Any other relevant information (e.g. circumstances surrounding the gift, action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy). The online declaration system provides comprehensive guidance and prompts.

## 11.2 Hospitality

- Staff should not ask for or accept hospitality that may affect, or be seen to affect, their professional judgement.
- Hospitality must only be accepted when there is a legitimate business reason and it is proportionate to the nature and purpose of the event.
- Particular caution should be exercised when hospitality is offered by actual or potential suppliers or contractors. This can be accepted, and must be declared, if modest and reasonable. Senior approval must be obtained.

Meals and refreshments:

- Under a value of £25 - may be accepted and need not be declared.
- Of a value between £25 and £75<sup>4</sup> - may be accepted and must be declared.
- Over a value of £75 - should be refused unless (in exceptional circumstances) senior approval is given. A clear reason should be recorded on the organisation's register(s) of interest as to why it was permissible to accept.

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<sup>3</sup> The £6 value has been selected with reference to existing industry guidance issued by the ABPI:  
<http://www.pmcpa.org.uk/thecode/Pages/default.aspx>

<sup>4</sup> The £75 value has been selected with reference to existing industry guidance issued by the ABPI

- A common sense approach should be applied to the valuing of meals and refreshments (using an actual amount, if known, or a reasonable estimate).

#### Travel and accommodation:

- Modest offers to pay some or all of the travel and accommodation costs related to attendance at events may be accepted and must be declared.
- Offers which go beyond modest, or are of a type that the organisation itself might not usually offer, need approval by senior staff, should only be accepted in exceptional circumstances, and must be declared. A clear reason should be recorded on the organisation's register(s) of interest as to why it was permissible to accept travel and accommodation of this type. A non-exhaustive list of examples includes:
  - offers of business class or first class travel and accommodation (including domestic travel)
  - offers of foreign travel and accommodation.

### 11.2.1 What should be declared

- Staff name and their role with the organisation.
- The nature and value of the hospitality including the circumstances.
- Date of receipt.
- Any other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

## 11.3 Outside Employment

- Staff should declare any existing outside employment on appointment and any new outside employment when it arises.
- Where a risk of conflict of interest arises, the general management actions outlined in this policy should be considered and applied to mitigate risks.
- Where contracts of employment or terms and conditions of engagement permit, staff may be required to seek prior approval from the organisation to engage in outside employment.

The organisation may also have legitimate reasons within employment law for knowing about outside employment of staff, even when this does not give rise to risk of a conflict.

Whilst in the employment of the LHCH, staff should not engage in outside employment without the written permission of the Trust. Any outside employments need to be registered with the Human Resources department on appointment. Staff will also need to inform Human Resources Department immediately of any changes to the information provided to them regarding outside employment (for further details please refer to the LHCH Secondary Employment Policy).

### 11.3.1 What should be declared

- Staff name and their role with the organisation.
- The nature of the outside employment (e.g. who it is with, a description of duties, time commitment).
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

## 11.4 Shareholdings and other ownership issues

- Staff should declare, as a minimum, any shareholdings and other ownership interests in any publicly listed, private or not-for-profit company, business, partnership or consultancy which is doing, or might be reasonably expected to do, business with the organisation.
- Where shareholdings or other ownership interests are declared and give rise to risk of conflicts of interest then the general management actions outlined in this policy should be considered and applied to mitigate risks.
- There is no need to declare shares or securities held in collective investment or pension funds or units of authorised unit trusts.

#### **11.4.1 What should be declared**

- Staff name and their role with the organisation.
- Nature of the shareholdings/other ownership interest.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

### **11.5 Patents**

- Staff should declare patents and other intellectual property rights they hold (either individually, or by virtue of their association with a commercial or other organisation), including where applications to protect have started or are on-going, which are, or might be reasonably expected to be, related to items to be procured or used by the organisation.
- Staff should seek prior permission from the organisation before entering into any agreement with bodies regarding product development, research, work on pathways etc, where this impacts on the organisation's own time, or uses its equipment, resources or intellectual property.
- Where holding of patents and other intellectual property rights give rise to a conflict of interest then the general management actions outlined in this policy should be considered and applied to mitigate risks.

#### **11.5.1 What should be declared**

- Staff name and their role with the organisation.
- A description of the patent.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy)

### **11.6 Loyalty interests**

Loyalty interests should be declared by staff involved in decision making where they:

- Hold a position of authority in another NHS organisation or commercial, charity, voluntary, professional, statutory or other body which could be seen to influence decisions they take in their NHS role.
- Sit on advisory groups or other paid or unpaid decision making forums that can influence how an organisation spends taxpayers' money.
- Are, or could be, involved in the recruitment or management of close family members and relatives, close friends and associates, and business partners.

- Are aware that their organisation does business with an organisation in which close family members and relatives, close friends and associates, and business partners have decision making responsibilities.

### **11.6.1 What should be declared**

- Staff name and their role with the organisation.
- Nature of the loyalty interest.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

## **11.7 Donations**

- Donations made by suppliers or bodies seeking to do business with the organisation should be treated with caution and not routinely accepted. In exceptional circumstances they may be accepted but should always be declared. A clear reason should be recorded as to why it was deemed acceptable, alongside the actual or estimated value.
- Staff should not actively solicit charitable donations unless this is a prescribed or expected part of their duties for the organisation, or is being pursued on behalf of the organisation's own registered charity or other charitable body and is not for their own personal gain.
- Staff must obtain permission from the organisation if in their professional role they intend to undertake fundraising activities on behalf of a pre-approved charitable campaign for a charity other than the organisation's own.
- Donations, when received, should be made to a specific charitable fund (never to an individual) and a receipt should be issued.
- Staff wishing to make a donation to a charitable fund in lieu of receiving a professional fee may do so, subject to ensuring that they take personal responsibility for ensuring that any tax liabilities related to such donations are properly discharged and accounted for.

### **11.7.1 What should be declared**

- The organisation will maintain records in line with the above principles and rules and relevant obligations under charity law.

## **11.8 Sponsored events**

- Sponsorship of events by appropriate external bodies will only be approved if a reasonable person would conclude that the event will result in clear benefit the organisations and the NHS.
- During dealings with sponsors there must be no breach of patient or individual confidentiality or data protection rules and legislation.
- No information should be supplied to the sponsor from whom they could gain a commercial advantage, and information which is not in the public domain should not normally be supplied.
- At the organisation's discretion, sponsors or their representatives may attend or take part in the event but they should not have a dominant influence over the content or the main purpose of the event.
- The involvement of a sponsor in an event should always be clearly identified.
- Staff within the organisation involved in securing sponsorship of events should make it clear that sponsorship does not equate to endorsement of a company or its products

and this should be made visibly clear on any promotional or other materials relating to the event.

- Staff arranging sponsored events must declare this to the organisation.

#### **11.8.1 What should be declared**

- The organisation will maintain records regarding sponsored events in line with the above principles and rules.

### **11.9 Sponsored research**

- Funding sources for research purposes must be transparent.
- Any proposed research must go through the relevant health research authority or other approvals process.
- There must be a written protocol and written contract between staff, the organisation, and/or institutes at which the study will take place and the sponsoring organisation, which specifies the nature of the services to be provided and the payment for those services.
- The study must not constitute an inducement to prescribe, supply, administer, recommend, buy or sell any medicine, medical device, equipment or service.
- Staff should declare involvement with sponsored research to the organisation.

#### **11.9.1 What should be declared**

- The organisation will retain written records of sponsorship of research, in line with the above principles and rules.
- Staff should declare:
  - their name and their role with the organisation.
  - Nature of their involvement in the sponsored research.
  - relevant dates.
  - Other relevant information (e.g. what, if any, benefit the sponsor derives from the sponsorship, action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

### **11.10 Sponsored posts**

- External sponsorship of a post requires prior approval from the organisation.
- Rolling sponsorship of posts should be avoided unless appropriate checkpoints are put in place to review and withdraw if appropriate.
- Sponsorship of a post should only happen where there is written confirmation that the arrangements will have no effect on purchasing decisions or prescribing and dispensing habits. This should be audited for the duration of the sponsorship. Written agreements should detail the circumstances under which organisations have the ability to exit sponsorship arrangements if conflicts of interest which cannot be managed arise.
- Sponsored post holders must not promote or favour the sponsor's products, and information about alternative products and suppliers should be provided.
- Sponsors should not have any undue influence over the duties of the post or have any preferential access to services, materials or intellectual property relating to or developed in connection with the sponsored posts.

### **11.10.1 What should be declared**

- The organisation will retain written records of sponsorship of posts, in line with the above principles and rules.
- Staff should declare any other interests arising as a result of their association with the sponsor, in line with the content in the rest of this policy.

### **11.11 Clinical private practice**

Clinical staff should declare all private practice on appointment, and/or any new private practice when it arises<sup>5</sup> including:

- Where they practise (name of private facility).
- What they practise (specialty, major procedures).
- When they practise (identified sessions/time commitment).

Clinical staff should (unless existing contractual provisions require otherwise or unless emergency treatment for private patients is needed):

- Seek prior approval of their organisation before taking up private practice.
- Ensure that, where there would otherwise be a conflict or potential conflict of interest, NHS commitments take precedence over private work.<sup>6</sup>
- Not accept direct or indirect financial incentives from private providers other than those allowed by Competition and Markets Authority guidelines:  
[https://assets.publishing.service.gov.uk/media/542c1543e5274a1314000c56/Non-Divestment\\_Order\\_amended.pdf](https://assets.publishing.service.gov.uk/media/542c1543e5274a1314000c56/Non-Divestment_Order_amended.pdf)

Hospital Consultants should not initiate discussions about providing their Private Professional Services for NHS patients, nor should they ask other staff to initiate such discussions on their behalf.

#### **11.11.1 What should be declared**

- Staff name and their role with the organisation.
- A description of the nature of the private practice (e.g. what, where and when staff practise, sessional activity, etc).
- Relevant dates.
- Any other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this Policy).

## **12. Management of Interests – advice in specific contexts**

### **12.1 Strategic decision making groups**

In common with other NHS bodies LHCH uses a variety of different groups to make key strategic decisions about things such as:

- Entering into (or renewing) large scale contracts.
- Awarding grants.
- Making procurement decisions.
- Selection of medicines, equipment, and devices.

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<sup>5</sup> Hospital Consultants are already required to provide their employer with this information by virtue of Para.3 Sch. 9 of the

Terms and Conditions – Consultants (England) 2003: [https://www.bma.org.uk/-/media/files/pdfs/practical\\_advice\\_at\\_work/contracts/consultanttermsandconditions.pdf](https://www.bma.org.uk/-/media/files/pdfs/practical_advice_at_work/contracts/consultanttermsandconditions.pdf)

<sup>6</sup> These provisions already apply to Hospital Consultants by virtue of Paras.5 and 20, Sch. 9 of the Terms and Conditions – Consultants (England) 2003: [https://www.bma.org.uk/-/media/files/pdfs/practical\\_advice\\_at\\_work/contracts/consultanttermsandconditions.pdf](https://www.bma.org.uk/-/media/files/pdfs/practical_advice_at_work/contracts/consultanttermsandconditions.pdf)

The interest of those who are involved in these groups should be well known so that they can be managed effectively. For this organisation these groups are:

- The Board of Directors
- The Operational Board and its committees
- Divisional committees – Governance; Performance.
- Procurement Groups

These groups should adopt the following principles:

- Chairs should consider any known interests of members in advance, and begin each meeting by asking for declaration of relevant material interests.
- Members should take personal responsibility for declaring material interests at the beginning of each meeting and as they arise.
- Any new interests identified should be added to the organisation's register(s).
- The vice chair (or other non-conflicted member) should chair all or part of the meeting if the chair has an interest that may prejudice their judgement.

If a member has an actual or potential interest the chair should consider the following approaches and ensure that the reason for the chosen action is documented in minutes or records:

- Requiring the member to not attend the meeting.
- Excluding the member from receiving meeting papers relating to their interest.
- Excluding the member from all or part of the relevant discussion and decision.
- Noting the nature and extent of the interest, but judging it appropriate to allow the member to remain and participate.
- Removing the member from the group or process altogether.

The default response should not always be to exclude members with interests, as this may have a detrimental effect on the quality of the decision being made. Good judgement is required to ensure proportionate management of risk.

## **12.2 Procurement**

Procurement should be managed in an open and transparent manner, compliant with procurement and other relevant law, to ensure there is no discrimination against or in favour of any provider. Procurement processes should be conducted in a manner that does not constitute anti-competitive behaviour - which is against the interest of patients and the public.

Those involved in procurement exercises for and on behalf of the organisation should keep records that show a clear audit trail of how conflicts of interest have been identified and managed as part of procurement processes. At every stage of procurement steps should be taken to identify and manage conflicts of interest to ensure and to protect the integrity of the process.

All procurement processes form part of the Corporate Governance



Manual. Procurement advice can be sought from the Procurement Team.

## **13. Dealing with Breaches**

There will be situations when interests will not be identified, declared or managed appropriately and effectively. This may happen innocently, accidentally, or because of the deliberate actions

of staff or other organisations. For the purposes of this Policy these situations are referred to as 'breaches'.

### **13.1 Identifying and reporting breaches**

Staff who are aware about actual breaches of this Policy, or who are concerned that there has been, or may be, a breach, should report these concerns.

Adherence to LHCH Policy is mandatory in order to identify and manage current or potential conflicts which may arise between the interests of LHCH and the personal interests, associations and relationships of individuals carrying out work for LHCH. Any breach of this Policy will be treated as a disciplinary offence and may result in dismissal.

Failure to adhere to the Declaration of Interests Policy may constitute potential criminal offences of fraud or bribery, as an individual could be gaining unfair advantage or financial rewards for himself or a family member, friend or associate.

Anyone who suspects that a relevant interest may not have been declared should report it to the Local Anti Fraud Specialist and/or the Chief Finance Officer.

To ensure that interests are effectively managed staff are encouraged to speak up about actual or suspected breaches. Every individual has a responsibility to do this. For further information about how concerns should be raised refer to the Freedom to Speak Up Policy.

The organisation will investigate each reported breach according to its own specific facts and merits, and give relevant parties the opportunity to explain and clarify any relevant circumstances.

Following investigation the organisation will:

- Decide if there has been or is potential for a breach and if so the what severity of the breach is.
- Assess whether further action is required in response – this is likely to involve any staff member involved and their line manager, as a minimum.
- Consider who else inside and outside the organisation should be made aware
- Take appropriate action as set out in the next section.

### **13.2 Taking action in response to breaches**

Action taken in response to breaches of this Policy will be in accordance with the disciplinary procedures of the organisation and could involve organisational leads for staff support (e.g. Human Resources), fraud (e.g. Local Counter Fraud Specialists), members of the management or executive teams and organisational auditors.

Breaches could require action in one or more of the following ways:

- Clarification or strengthening of existing Policy, process and procedures.

- Consideration as to whether HR/employment law/contractual action should be taken against staff or others.
- Consideration being given to escalation to external parties. This might include referral of matters to external auditors, NHS Counter Fraud Authority, the Police, statutory health bodies (such as NHS England, NHS Improvement or the CQC), and/or health professional regulatory bodies.

Inappropriate or ineffective management of interests can have serious implications for the organisation and staff. There will be occasions where it is necessary to consider the imposition of sanctions for breaches.

Sanctions should not be considered until the circumstances surrounding breaches have been properly investigated. However, if such investigations establish wrong-doing or fault then the organisation can and will consider the range of possible sanctions that are available, in a manner which is proportionate to the breach. This includes:

- Employment law action against staff, which might include
  - Informal action (such as reprimand, or signposting to training and/or guidance).
  - Formal disciplinary action (such as formal warning, the requirement for additional training, re-arrangement of duties, re-deployment, demotion, or dismissal).
- Reporting incidents to the external parties described above for them to consider what further investigations or sanctions might be.
- Contractual action, such as exercise of remedies or sanctions against the body or staff which caused the breach.
- Legal action, such as a criminal investigation and prosecution under fraud, bribery or corruption legislation.

### **13.3 Learning and transparency concerning breaches**

Reports on breaches, the impact of these, and action taken will be considered by the Audit Committee.

To ensure that lessons are learnt and management of interests can continually improve, anonymised information on breaches, the impact of these, and action taken will be prepared and made available for inspection by the public upon request.

## **14. Review**

This Policy will be reviewed at three yearly intervals unless an earlier review is required. This will be led by the Director of Corporate Affairs.

## **15. Associated Documentation**

Freedom of Information Act 2000

ABPI: The Code of Practice for the Pharmaceutical Industry (2014)

ABHI Code of Business Practice

NHS Code of Conduct & Accountability (July 2004)

Freedom to Speak Up Policy

Standards of Business & Personal Conduct Policy

Anti-Fraud, Bribery & Corruption Policy

Personal Relationships at Work Protocol

LHCH Constitution

Secondary Employment Policy  
Freedom to Speak Up Policy

Reference must also be made to the LHCH Constitution which defines “material interests” for Governors (refer Appendix 2) and Board Directors (refer Appendix 3).

## APPENDIX 1

### EXAMPLES OF POSSIBLE CONFLICTS OF INTEREST

The following are examples of what conflicts of interest could include. This list provides guidance, but is not exhaustive:

- a) Owning shares, other securities or other financial or commercial interests in a company which has tendered for work at LHCH, or which is competing against LHCH for the provision of services to a third party. (LHCH clearly has no objection to individuals holding private investments. However, they must not, in their official capacity, deal with matters affecting any negotiation, contract, purchase or sale in which they have a private interest).
- b) Where an individual holds a second employment position with another organisation, whether NHS related or not.
- c) Using any information acquired in the course of LHCH work to advance your financial interests or those of another.
- d) Holding any office or membership of a committee or Council of a body other than LHCH, whether in the public, private or voluntary sector, which directly conflicts with the services provided by LHCH, or its corporate principles and objectives.
- e) Receiving gifts, hospitality or other benefits of a significant nature which in any way relate to an individual's position within LHCH.
- f) The employment or other financial interest of a spouse, partner or close relative or associate which could reasonably be regarded as relevant to an individual's position within LHCH, eg relating to a relevant company, organisation or public body. (It is accepted that it is not always reasonable for individuals to be aware of all relevant interests of a family member).
- g) A non-pecuniary interest where an individual has other interests that might be thought to influence them, either wittingly or unwittingly, in performing the professional duties on behalf of LHCH.
- h) Close links with, or interest in, a particular Institution from which a grant or other funding application is being considered (eg employment or academic collaborations).
- i) Expectation of future employment with a particular company or organisation. Individuals should not give, or appear to give, advice or take decisions that might be influenced by the hope or expectation of future employment. This is to ensure that the company or organisation involved does not gain an unfair advantage over its competitors.

## **APPENDIX 2**

### **Governors**

“Material” Interests include any of the following;

- a) any directorship of a company
- b) any interest or position in any firm, company, business or organisation (including any charitable or voluntary organisation) which has or is likely to have a trading or commercial relationship with the Foundation Trust;
- c) any interest in an organisation providing health and social care services to the National Health Service;
- d) a position of authority in a charity or voluntary organisation in the field of health and social care;
- e) any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders or banks.

Further provisions as to conflicts of interest of Governors are contained at paragraph 17 of the Foundation Trust’s Constitution.

## **APPENDIX 3**

### **Board of Directors**

Interests regarded as “material” include any of the following, held by a Director, or the spouse or partner of a Director:

- a) Any interest (excluding a holding of shares in a company whose shares are listed on any public exchange where the holding is less than 2% of the total shares in issue) or position held by a Director in any firm, company or business which has or is likely to have a trading or commercial relationship with the Foundation Trust.
- b) Any interest in a voluntary or other organisation providing health and social care services to the National Health Service.
- c) A position of authority in a charity or voluntary organisation in the field of health and social care.
- d) Any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders or banks.

Further provisions as to conflicts of interest of Directors are contained at paragraph 29 of the Foundation Trust’s Constitution