Reference Number: *UHB 602* **Version Number:** 1	**Date of Next Review: 15.09.2029** **Previous Trust/LHB Reference Number: n/a**

Conflict of Interest Policy (Health Charity)

Policy Statement

To ensure the Health Charity delivers its aims, objectives, responsibilities and legal requirements transparently and consistently, we will ensure we abide by Charitable law, industry regulations, and charitable best practice.

Policy Commitment

The Health Charity is committed to ensuring decisions made on matters affecting the Health Charity are done so in a fair, transparent and equitable manner.

Supporting Procedures and Written Control Documents

Other supporting documents that the reader needs to be aware of alongside this document:

- Standards of Behaviour
- Declarations of Interest Procedure
- Declaration of Gifts, Hospitality and Sponsorship Procedure
- Standing Orders

Scope

This policy applies to all involved with the Cardiff and Vale Health Charity, including the Trustee, members of the Charitable Funds Committee, team members, fund holders, others in the Cardiff and Vale University Health Board with oversight of charitable activity, freelance team members, and volunteers.

Equality & Health Impact Assessment (EHIA) Part 1 - Equality Impact Assessment (EQIA)	An Equality Impact Assessment (EqIA) has been completed and this found there to be a positive impact. Key actions have been identified and these are incorporated within this controlled document.

Equality & Health Impact Assessment (EHIA) Part 2 - Health Impact Assessment (HIA)	A Health Impact Assessment (HIA) has been completed and this found there to have no impact. Key actions have been identified and these are incorporated within this controlled document.
Policy Approved by	Charitable Funds Committee
Group with authority to approve procedures written to explain how this policy will be implemented	Health Charity
Accountable Executive or Clinical Board Director	Executive Director of Finance

Summary of reviews/amendments			
Version Number	**Date Review Approved**	**Date Published**	**Summary of Amendments**
1	Approved by Charitable Funds Committee 15/09/2026	21/09/2026	*New document*
2			

Conflict of Interest Policy

1. Introduction

This Policy provides guidance on identifying conflicts of interest and sets out the Cardiff and Vale Health Charity's (CAVHC) policy for managing any such conflicts.

Although the Policy will be of primary concern to the Trustee Board, who have a legal obligation to act in the best interests of the Charity and to avoid situations where there may be an actual or potential conflict of interest, senior management, staff and volunteers may also find themselves subject to conflicts of interest. Employees have obligations of loyalty and mutual trust and confidence to the Charity and this policy applies to all individuals involved with the CAVHC.

This Policy is supplementary to the Cardiff and Vale University Health Board's (CAVUHB) Standards of Behaviour, Declarations of Interest Procedure, Declaration of Gifts, Hospitality and Sponsorship Procedure, Standing Orders and Standing Financial Instructions and CAVHC's governing document. In the case of any inconsistency then those other documents will prevail.

2. Background

Conflicts of interest arise where an individual's personal or family interests and/or loyalties conflict with those of CAVHC or might be perceived by outside observers to conflict with those of the Charity. Such conflicts can create problems by inhibiting free discussion and can result in decisions or actions which are not in the best interests of the Charity or give the impression that CAVHC has acted improperly.

Conflicts of interest can damage a charity's reputation or public trust and confidence in charities generally. The purpose of this Policy is to provide a framework for the full disclosure and management of conflicts and potential conflicts of interest so that CAVHC is always able to respond appropriately to the situation by managing the risks to the Charity and is able to explain how decisions have been taken only in the best interests of the Charity.

The aim of this policy is to protect both CAVHC and individuals involved with the Charity from any impropriety or appearance of impropriety. Trustees' personal and professional connections can bring benefits to the work of the Charity, and they often form part of the reason why an individual has been asked to join the Trustee Board or Charitable Funds Committee. However, where they give rise to conflicts of interest then the Trustee and the Charity must respond appropriately.

3. Definitions

A **conflict of interest** is any situation in which an individual's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the Charity. It might arise where there is a potential financial or other measurable benefit directly to an individual, or indirectly through a connected person; or where an individual's duty to the Charity may compete with a duty or loyalty they owe to another organisation or person.

A **conflict of loyalty** is a particular type of conflict of interest, in which an individual's loyalty or duty to another person or organisation could prevent the individual from making a decision only in the best interests of the Charity.

A **connected person** means family, relatives or business partners of an individual, as well as businesses in which an individual has an interest through ownership or influence. The term includes an individual's spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where the individual or a family member holds a participating interest (usually 5% or more of the shareholding or voting rights).

A **related party** is a term defined in the Charity SORP that combines the requirements of charity law, company law and the Financial Reporting Standards applicable in the UK. It identifies those persons or entities that are closely connected to the Charity or its Trustees. Related parties include the Charity's Trustees and their close family members and those entities which they control or in which they have a significant interest. (see Appendix 1)

Related party transactions are the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Trustee benefit includes any payments or non-financial benefits to a Trustee or a connected person, apart from their reasonable out of pocket expenses. The term also covers situations where a Trustee (or connected person) could receive property, loans, grants, goods or services from the Charity.

4. The Law

Trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the Charity.

Where CAVHC decides to confer a Trustee Benefit then the Board must ensure that there is appropriate legal authority in place to enable them to make the decision. This could come from:

- a clause in CAVHC's governing document.
- a statutory provision such as the power in the Charities Act which allows charities, in some circumstances, to pay Trustees for additional services they provide to the Charity over and above normal Trustee duties.
- the Charity Commission.
- the Court.

Failure to act properly and follow the stated provisions where there is a conflict of interest is a breach of the Trustees' legal responsibilities.

5. Identifying a Conflict

Examples of common types of conflict include:

- conflicts between an individual's personal financial interests and those of CAVHC.
- conflicts between the financial interests of someone connected to the individual and those of CAVHC, for example, payments to a relative.
- non-financial conflicts, for example, the interests of two organisations with which a trustee or employee is involved conflicting with each other (i.e. a conflict of loyalties).

For the Trustees, a useful test is to regard an "interest" as a very broad term which includes anything or any connection that could potentially divert a Trustee's mind from giving sole consideration to fulfilling the objects of the Charity.

An individual Trustee must not benefit, whether financially or otherwise, from their position beyond what is permitted by law and what is in the best interests of CAVHC.

If a Trustee has any doubt as to whether a particular circumstance represents a potential or actual conflict of interest, they should speak to the Chair in the first instance, who will confirm whether a Declaration should be made.

Any other individual involved with CAVHC who is uncertain as to whether they should notify the Charity about a particular circumstance should discuss the matter with the

Chair of the Charitable Funds Committee who will then decide whether the matter should be declared and entered in the Charity's Register of Interests.

6. Declaring an Interest

All Trustees (and other relevant individuals, e.g., Charitable Funds Committee Members, Senior Managers, and Fund Managers) shall, on appointment, complete a Declaration of Interests form on ESR in respect of themselves, their spouses, partners, close relatives and business associates, as appropriate. Thereafter it is the individual's responsibility for ensuring that the Declaration is up-to-date, including reviewing the Declaration on an annual basis.

All external interests should be declared as it may not be apparent which are relevant to CAVHC or may lead to a potential or actual conflict of interests or loyalties.

All staff and volunteers must notify the Charity, via their line manager, where the work they are doing for the Charity involves or might involve a benefit from the Charity to themselves or a connected party. This is relevant to all fund holders, managers and specific fund committees, as well as CAVHC staff and volunteers

If any individual has a conflict of interest in relation to a particular contract, the conflicted individual must not be involved in awarding, managing, or monitoring the relevant contract.

Whenever an individual has a conflict or potential conflict of interest in a matter to be discussed at a Board or Charitable Funds Committee meeting where they are present, the conflicted individual shall:

- declare that interest at or before discussion begins on the matter (at each meeting there should be a formal opportunity for those present to declare any interest in any item to be discussed).
- withdraw from the meeting during any discussion of that item unless expressly invited to remain to give information.
- not be counted in the quorum for the part of the meeting devoted to that item.
- withdraw during the vote and have no vote on the matter.

Trustees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. How they prevent the conflict from affecting decision making will depend on the circumstances.

Trustees must follow any legal or governing document requirements which say how the conflict of interest must be handled and be satisfied that doing so is an appropriate way of demonstrating that their decision was made only in the best interests of CAVHC.

Where a Trustee or Committee Member becomes aware of a personal interest in relation to a matter arising in a written resolution circulated to the Trustees or Committee Members, the Trustee or Charitable Funds Committee Member concerned shall:

- as soon as possible declare an interest to all the other Trustees or Charitable Funds Committee Members.
- not be entitled to vote on the written resolution.
- the resolution shall take effect if approved by the requisite proportion of the remaining Trustees or Charitable Funds Committee Members provided that any Trustee or Charitable Funds Committee Member who has already voted on the resolution may, on being notified of the personal interest, withdraw their vote.

A declaration of interests is the responsibility of each individual Trustee or Charitable Funds Committee Member, but if a Trustee is aware of an undeclared conflict of interest affecting another Trustee, they should notify the Chair.

Trustees must be able to demonstrate that their decisions are made only in the best interests of the Charity. A formal written record (e.g., in minutes of the relevant meeting) of any conflicts of interest and how they were handled should be maintained, showing:

- the nature of the conflict.
- which Trustee or Trustees were affected.
- whether any conflicts of interest were declared in advance.
- an outline of the discussion.
- whether anyone withdrew from the discussion.
- how the Trustees took the decision in the best interests of CAVHC.

The Chair or Chair of the Charitable Funds Committee may, exceptionally, need to seek the authority of the Charity Commission where the conflict of interest is so acute or extensive that the Trustees consider they are unable to clearly demonstrate that they have acted solely in the best interests of CAVHC.

7. Register of Interests

CAVHC shall maintain a Register of Interests which shall be reviewed by the Board every twelve months.

The Register of Interests shall include Trustee and Charitable Funds Committee Member interests as recorded in their individual Declarations of Interest. The Register shall also contain any material conflicts notified by senior managers or other employees, fund holders, and volunteers.

Any information provided will be processed in accordance with data protection principles and retained in accordance with Data Protection legislation only to demonstrate compliance with this policy and to ensure the avoidance of impropriety.

8. Persistent Material Conflicts

In the event that there is a persistent material conflict of interest which affects the ability of a particular Trustee or Charitable Funds Committee Member to carry out his or her duties then the Trustee or Charitable Funds Committee Member concerned should consider whether it is in the best interests of CAVHC that they continue as a Trustee or Charitable Funds Committee Member.

If a conflict is considered by a majority of the unconflicted Trustees to be so fundamental or pervasive that it would be inappropriate for the individual to remain as a Trustee or Charitable Funds Committee Member, then the individual will be asked to resign from the Board or Charitable Funds Committee, as appropriate. In such a case the individual should respect the majority decision and resign at the earliest opportunity.

9. Related Party Transactions

All Trustee benefits must be disclosed in the Charity's Annual Report and Accounts.

Most Related Party transactions must also be disclosed in the Charity's Annual Report and Accounts. The Charities SORP requires these disclosures to provide transparency to users of the accounts so that they can assess whether the relationship between the Charity and the other party or parties to a transaction may have been influenced by interests other than those of CAVHC. Disclosing related party transactions also shows how far, if at all, the reported financial position and activities may have been affected by such transactions.

Trustees will be required to disclose related party transactions of any value as part of their annual Declaration of Interests.

Appendix 1: Declaration of Interest - Guidance in respect of the Health Charity

Under the Charities SORP, Trustee remuneration and other benefits must be disclosed in the Charity's Annual Report and Accounts. A transaction involving a Trustee or other related party must always be regarded as material regardless of its size. For the purposes of this disclosure, the following people and organisations are considered connected to the Trustees:

i. members of the same family or household of the charity Trustee or related person who may be expected to influence, or be influenced by, that person in their dealings with the charity;
ii. the Trustees of any trust, not being a charity, the beneficiaries or potential beneficiaries of which include a charity trustee or related person or a person referred to in (i) as being connected with a charity trustee or to a related person, as the case may be;
iii. any business partner of a charity trustee or related person, or of any person referred to in (i) or (ii) as being connected with a charity trustee or to a related person, as the case may be;
iv. any body corporate, not being a company which is controlled entirely by one or more charitable institutions, in which:
    a) the charity trustee has, or the charity trustee and any other charity trustee or trustees or person or persons referred to in (i), (ii) or (iii) above as being connected with a charity trustee, taken together, have a participating interest;
    OR
    b) the related person has, or the related person and any other related parties of the charity, taken together, have a participating interest.

The following transactions by a trustee or related party do not need to be disclosed:

a. donations received by the charity, so long as the donor has not attached conditions which would, or might, require the charity to alter significantly the nature of its existing activities if it were to accept the donation;
b. minor or routine unremunerated services provided to a charity;

c. contracts of employment between a charity and its employees (except where the employees are the charity Trustees or people connected with them);
d. contributions by a charity to a pension fund for the benefit of employees;
e. the purchase from a charity of minor articles which are offered for sale to the general public on the same terms as are offered to the general public;
f. the provision of services where the related party receives the services as part of a wider beneficiary class, and on the same terms as other members of the class (for example, the use of a village hall by members of its committee of management as inhabitants of the area of benefit);
g. the payment or reimbursement of out-of-pocket expenses

The following interests should be declared by each Trustee, senior manager, fund manager or Charity team members (including volunteers) in the space provided on the form:

a. A position of authority in a charity or voluntary organisation in the field of health and social care.
b. Directorships, including non-executive directorships held in private companies or PLCs (with the exception of dormant companies).
c. Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS and/or the Charity (excluding a holding of shares in a company whose shares are listed on any public exchange where the holding is less than 5% of the total share issue).
d. Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS and/or the Charity.
e. Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Charity.

No Trustee shall be treated as having a relevant interest by reason only of a connection to any company, body or person which is so remote or insignificant that it cannot reasonably be regarded as likely to influence him in the consideration or discussion of, or in voting on, any matter.