

<h1 style="margin: 0;">The Wrekin</h1> <h2 style="margin: 0;">Housing Group</h2> <hr style="width: 30%; margin: 5px auto;"/>	<p>Declarations and Conflict of Interest Policy for Board Members of The Wrekin Housing Group and its subsidiaries</p>
<p>Originator/ Author:</p>	<p>Catherine Rogerson Company Secretary</p>
<p>Direct Lead:</p>	<p>Group Chair</p>
<p>Target Audience:</p>	<p>Board Members of The Wrekin Housing Group</p>
<p>Version:</p>	<p>5: 24th April 2019</p>
<p>Date of Final Ratification/ Board Approval:</p>	<p>29th April 2019</p>
<p>Name of Ratifying Committee / Board</p>	<p>The Wrekin Housing Group Board</p>
<p>Review Date:</p>	<p>March 2020</p>
<p>Expiry Date:</p>	<p>29th April 2020</p>
<p>Associated Codes / Policies/ Procedures</p>	<ul style="list-style-type: none"> • NHF Code of Conduct 2012 • NHF Code of Governance 2015 • The Wrekin Housing Group Rules • Choices Housing Association Rules • Group Standing Orders and Delegation of Authority • Anti - Fraud & Anti- Bribery Policy • Gifts & Hospitality Policy • Declaration of Interests Form
<p>Reporting</p>	<ul style="list-style-type: none"> • Board Member Declaration of Interest Register to be available to view at each Group Board Meeting • Annual report to Board on compliance with this policy • Monitoring of the return of Employee Declaration of Interest Forms and Board Member Declaration of Interest Forms to the Audit &

	<p>Assurance Committee</p> <ul style="list-style-type: none"> • Assessment against the NHF Code of Conduct • Assessment against the NHF Code of Governance
Review/ Update	The policy shall be automatically reviewed every year although may require review/update sooner based on continual use or in line with legislative changes.

1. Background

- 1.1 Board members have a duty under common law to act in the best interests of The Wrekin Housing Group and should not benefit from the business (other than agreed remuneration and reimbursement of properly incurred expenses) or be influenced by their wider interests when making decisions affecting the business.
- 1.2 Executive and non-executive Directors and trustees of charities have a legal duty to avoid conflicts of interest (**Appendix 1**) under section 175 of the Companies Act 2006.
- 1.3 Conflicts of interest arise when the interests of the individual or 'connected person' are incompatible or in competition with the interests of the business. Through-out the remainder of this policy any reference to "an individual", "member", "Trustee" or "Director / Employee" shall include any relevant "Connected Person(s)".

A conflict of interest might usefully be thought to be

Any situation in which a director's/ member's/ trustees personal interests or responsibilities they owe to another body, may, or may appear to influence their decision making.

- 1.4 Board members are required to promptly declare their and those of any connected person(s)' business interests and potential conflicts of interest and to update the Declaration of Interest Form should any changes arise. The Company Secretary will record the changes in the Declaration of Interest Register. The Board Member Register of Interests is available at each Group Board Meeting for scrutiny.
- 1.5 There is an item on each Board and Committee agenda asking members to declare any additional declarations pertaining to the agenda or changes that have not yet been declared.
- 1.6 This policy gives examples of some circumstances under which a conflict may arise. This policy must be read in conjunction with the NHF Code of Conduct and the associated good practice to clarify general principles around conflicts.

2. The Wrekin Housing Group

- 2.1 When recruiting Board members it is likely that many applicants will be from other housing organisations – either on a board or as an employee. Whilst it is imperative to have housing skills and experience on the Board this needs to be balanced against any potential conflicts that could arise. To maintain effectiveness and performance the Board needs to include people with relevant and current experience recognising the increasing competition in the sector in terms of new developments, new markets, mergers and acquisition and also

competition for staff and board members with experience, skills and expertise.

2.2 The Agreement for Services under which Board members are appointed, states –

5 Outside interests

5.1 It is accepted and acknowledged that you have business interests other than those of WHG. You agree that you have declared any actual or potential conflicts that are apparent at present.

5.2 You undertake that you will declare, as soon as they become apparent, all and any relevant interests, whether actual or potential, direct or indirect, as required by the Constitution, the Act (if relevant), or the Code of Conduct, the Code of Governance, or any other relevant codes of conduct, standards, probity or similar or policies on payments and benefits or similar as soon as they become apparent.

5.3 You also agree that you will not (except where permitted by the Constitution and with the prior sanction of a resolution of the Board) be directly or indirectly employed, engaged, concerned or interested in, or hold any office in, any business which undertakes similar services to those of WHG or which is a customer or supplier of services to the Association, save that this clause 5.3 shall not apply in respect of your membership of, or membership of the board of management or any committee of any Associated Company.

2.3 It is a requirement under section 5.3 above, that subsequent appointments to other housing organisations or transactions in businesses in similar services, have prior sanction and this will be through the Chair who will sanction external interests on behalf of the Board. The list of sanctioned external interests will be monitored to assess if a conflict is likely to arise over time.

2.4 A side letter will be issued for Board Members who undertake work with other housing associations. The side letter will state that the Chair notes the Board Member's role in the sector and provides authorisation for this. The letter reminds the Board Member of their duties in regards to conflicts of interest and so the Board Member would still need to bear these duties in mind including declaring a conflict of interest if one was to arise. A 'blanket' side letter will be issued for members who provide services to a number of housing associations.

2.5 From the Wrekin Housing Group Board's perspective a conflict is

- having an interest in a business which directly or indirectly earns income or fees from the Group, is a customer of the Group or otherwise has a trading relationship or is in any way a competitor of the Group
- being engaged as a board member / employee / consultant of other housing organisations within Wrekin's area of operation.

2.6 A copy of the Declaration of Interest Form is attached at **Appendix 2**. When declaring an interest employees and Board members are required to give details of the interests relating to

- a tenancy or leasehold matter
- employment matters
- business matters
- company directorships
- land or property
- membership of an organisation or society
- position of public responsibility

and whether it applies to themselves or members of their immediate family, spouse /

partner, connected persons or some other close personal connection.

- 2.7 For clarity (as of March 2019), **Appendix 3** details the housing organisations active in Wrekin's operating areas of Shropshire, Telford and Staffordshire and in most cases the Group is in competition with them in terms of development opportunities. Details of the Group's current contractors and suppliers is available through the Company Secretary. Employees and Board members are expected and have a responsibility to inform the organisation of their interests even if they are not listed.

3. How will a potential conflict be managed?

- 3.1 If a Board member believes that they have a real or perceived conflict of interest they should declare the interest at the earliest opportunity.
- 3.2 Instances of conflict will be managed on a case by case basis and in the event of the Board having to decide upon a question in which a Board member has an interest, all decisions will be made by vote with a simple majority. Interested parties will not be counted in the quorum or vote. The Board will consider
- The nature and extent of the conflict;
 - Actions taken to manage the conflict.
- 3.3 The Group Chair will discuss with the individual the Board's view of the conflict and how it will be managed. This may be
- By ensuring that minutes and other documents relating to the item presenting a conflict are appropriately redacted
 - By the Board member leaving the meeting for the duration of the discussion / decision on the item which is the cause of the conflict
 - By agreeing for what period of time the conflict is likely to occur and if this will have an impact on the Board's decision making ability (e.g. impact on quorum)
 - If the conflict is likely to be ongoing, which business interest is of priority to the individual.

In the event of the Group Chair having a conflict or potential conflict then the Group Chair will discuss how the conflict will be managed with the Chair of the Audit & Assurance Committee.

4. Personal Benefit – employment

- 4.1 The NHF Code of Conduct 2012 states that
D2 – associations must have and comply with fair and transparent policies relating to the offer of employment to involved residents or board member or person who are closely connected to a board member, member of staff or involved resident.
- 4.2 The “Good practice guidance” issued with the Code states,
The association should have a policy on whether or not board members themselves may apply for employment. Where this is envisaged. The applicant should declare their interest and resign from the board. There should be no presumption that the applicant would necessarily be reappointed to the board if unsuccessful in their application for employment.
- 4.3 The Group will adhere to both the Code and the good practice guidelines and should a Board member apply for a role within the organisation then that Board member will be required to resign at the point of application.

Conflicts of Interest Policy Appendix 1 – Extract from Companies Act 2006

The seven duties of directors were introduced into UK statute law by the Companies Act 2006. These duties are

- to act within powers
- to promote the success of the company
- to exercise independent judgement
- to exercise reasonable care, skill and diligence
- to avoid conflicts of interest
- not to accept benefits from third parties
- to declare an interest in a proposed transaction or arrangement.

Legal duties, responsibilities and liabilities of executive directors and non-executive directors are the same.

S175 Duty to avoid conflicts of interest

(1) A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.

(2) This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity).

(3) This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.

(4) This duty is not infringed—

(a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(b) if the matter has been authorised by the directors.

(5) Authorisation may be given by the directors—

(a) where the company is a private company and nothing in the company's constitution invalidates such authorisation, by the matter being proposed to and authorised by the directors; or

(b) where the company is a public company and its constitution includes provision enabling the directors to authorise the matter, by the matter being proposed to and authorised by them in accordance with the constitution.

(6) The authorisation is effective only if—

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and

(b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(7) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

S177 Duty to declare interest in proposed transaction or arrangement

(1) If a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of that interest to the other directors.

(2) The declaration may (but need not) be made—

(a) at a meeting of the directors, or

(b) by notice to the directors in accordance with—

(i) section 184 (notice in writing), or

(ii) section 185 (general notice).

(3) If a declaration of interest under this section proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

(4) Any declaration required by this section must be made before the company enters into the transaction or arrangement.

(5) This section does not require a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question.

For this purpose a director is treated as being aware of matters of which he ought reasonably to be aware.

(6) A director need not declare an interest—

(a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

(b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or

(c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered—

(i) by a meeting of the directors, or

(ii) by a committee of the directors appointed for the purpose under the company's constitution.

Declarations of Interests for Employees and Board Members

Employees and Board Members are required to notify The Wrekin Housing Group (WHG) of any potential declarations and conflict of interests. WHG and Choices Housing Association (Choices) Board have adopted the National Housing Federation Code of Conduct to ensure that the highest standards of integrity are maintained. The Code includes the principle that no benefits may be given to employees or Board Members except strictly in accordance with a contract of employment. Employees and Board Members are required to declare interests even if there is no conflict.

Please complete the following form as your declaration and return it signed either electronically to Disclosures@wrekinhousingtrust.org.uk or to **Catherine Rogerson- Company Secretary**.

In this form 'close relative' means:

Spouse or partner, parent, grandparent or great-grandparent, child, grandchild or great-grandchild, brother, sister or a relation by marriage / Partner in any of the same categories.

Name:	
Employee Number:	
Location:	
Tenancy Are you a tenant of a Choices or WHG property?	Yes/No (If 'yes' please advise address)
Is a close relative a tenant of a Choices or WHG property?	Yes/No (If 'yes' please complete as follows :) Relationship: (i.e. father, sister, in-law etc)
	Address:
Leasehold Are you or a close relative a leaseholder or shared owner of a Choices or WHG property?	Yes/No (If 'yes' please give details, i.e. name, address)
Property sale Do you or a close relative have any involvement in buying a property from Choices or WHG Selling a property to Choices / WHG?	Yes/No (If 'yes' please complete as follows) Relationship: (i.e. father, brother, in-law etc)
	Address:

<p>Other employment or business Do you have any other employment or involvement of any kind in a business?</p>	<p>Yes/No (If 'yes' please give details)</p>
<p>Receiving a Service/Business Contacts / Financial & Other Interests / Service User Relationship</p> <p>a) Are you or a close relative a customer / service user of Choices / WHG? Or otherwise has a trading relationship?</p> <p>b) Do you or a close relative have any involvement / interest (inc. investments) in any kind of business or undertaking, which earns any income or fees from Choices / WHG? Or is in any way a competitor of Choices / WHG?</p> <p>Examples of interest:</p> <p>Direct interests</p> <p>Financial interests - Where there is a direct / indirect financial benefits from the consequences of a decision they are involved in making. .</p> <p>Non-financial professional and personal interests - Where an individual obtains a non-financial professional or personal benefit, such as increasing or maintaining their professional reputation, from the consequences of a decision they are involved in making.</p> <p>Indirect interests - Where there is, or could be perceived to be, an opportunity for a third party associated with the individual in question to benefit.</p> <p>(A benefit may arise from both a gain and avoidance of a loss).</p>	<p>Yes/No (If 'yes' please give details)</p>
<p>Organisations & Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals etc. Membership of any professional bodies, special interest groups or mutual support organisations.</p>	<p>Yes/No (If 'yes' please give details)</p>

Declaration

By signing this form I confirm that

- (a) to the best of my knowledge and belief I have answered the questions honestly and completely and should it later be identified that I have knowingly provided false or inaccurate information, I understand that this may constitute fraud and I may therefore be subject to disciplinary and/or criminal investigation.
- (b) I have no other legal interests (or involvements) which might conflict with the best interests of the WHG or Choices or prevent me from fulfilling my role in the WHG or Choices
- (c) I adhere to the Corporate Code of Conduct and associated policies.
- (d) If my circumstances change, I will notify my manager who will in turn seek advice from the Company Secretary

***Please ensure that all offers of Gifts and Hospitality, whether accepted or declined, are declared to the Company Secretary.**

Signature Date.....

[To be issued on Wrekin letterhead]

[Insert details and address]

[Insert date]

Dear [Name]

Board Member Agreement for Services - authorisation of external interests

Further to our conversations in relation to this issue, I am writing to confirm the position in relation to clause 5.3 of your Board Member Agreement for Services dated [Insert date] (the “**Agreement**”) and your role as [Insert details of role].

Clause 5.3 of the Agreement provides that:

“You also agree that you will not (except where permitted by the Constitution and with the prior sanction of a resolution of the Board) be directly or indirectly employed, engaged, concerned or interested in, or hold any office in, any business which undertakes similar services to those of WHG or which is a customer or supplier of services to the Association, save that this clause 5.3 shall not apply in respect of your membership of, or membership of the board of management or any committee of any Associated Company.”

Therefore before taking on [Insert details of role/external interest] you are required to obtain authority from the Board.

However, in appointing you as a Board Member, you made it clear that you would be providing services to other housing associations in the form of [Insert details] (the “**External Services**”). The purpose of this letter is therefore to confirm that you have authority under clause 5.3 of the Agreement to provide the External Services to other housing associations.

It should be noted that whilst this letter provides authority for you to undertake the External Services under clause 5.3 of the Agreement, (as you will of course be aware) you should still ensure you meet your obligations as a Board Member in relation to confidentiality, conflicts of interest and acting in the best interests of The Wrekin Housing Group. You should therefore continue to monitor any circumstances which arise in relation to your provision of the External Services and declare any relevant conflicts of interest which arise. You should also continue to ensure that any information provided to you in your capacity as a Board Member is kept confidential.

Thank you for your continued contributions as a Board Member. If you have any queries in relation to this letter please contact [Catherine Rogerson, Group Secretary, on Catherine.Rogerson@wrekinhousingtrust.org.uk or 01952 217006].

[Chair sign off]