

HSL DECLARATION OF INTEREST AND GIFTS & HOSPITALITY POLICY AND PROCEDURE

Subject:	HSL Declaration of Interest and Gifts & Hospitality Policy and Procedure
Version:	01
Date Implemented:	April 2023
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Responsible Lead:	Chief Financial Officer
Responsible Sub Lead:	Director of Human Resources
Target Audience:	All Employees
Related Documents and Policies:	Investigation & Disciplinary Policy

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1. Introduction

- 1.1 Health Services Laboratories, HSL, (the 'organisation'), and the people who work with and for us, collaborate closely with other organisations. These partnerships have many benefits and should help ensure that funds are spent efficiently and wisely. But there is a risk that conflicts of interest may arise.

As an organisation and as individuals, we have a duty to ensure that all our dealings are conducted to the highest standards of integrity.

The organisation is required to maintain proportionate adequate procedures to mitigate the risk of bribery, in accordance with the Bribery Act 2010. This includes the appropriate management of interests, gifts, and hospitality, and is applicable to all persons associated with the organisation, as outlined in this policy.

The organisation fully supports this act and further information can also be found in the Anti-Fraud and Bribery Policy.

2 Purpose

- 2.1 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; and
 - Supports good judgement about how to approach and manage interests.

This policy should be considered alongside these other organisational policies:

- Investigation & Disciplinary Policy

3 Duties

3.1 Employee's Responsibilities

At the organisation 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 (full and part time, including those on fixed term contracts);
- All prospective employees who are part-way through recruitment;
- Contractors and sub-contractors;
- Agency staff;
- Committee, sub-committee and advisory group members (who may not be directly employed or engaged by the organisation);
- Non-Executive Directors.

3.2 Decision Making Staff Responsibilities

Some staff are more likely than others to have a decision making influence on the organisation's expenditure, 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 (or equivalent roles);

- Members of advisory groups which contribute to direct or delegated decision making;
- Administrative and clinical staff who have the power to enter into contracts on behalf of their organisation; and
- Administrative and clinical staff involved in decision making concerning the commissioning or purchasing of goods or services.

4 Definitions

4.1 Conflict of interest

A set of circumstances by which a reasonable person would consider that an individual's ability to apply judgement or act 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;
- OR
- 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 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; or
 - **Indirect interests:** Where an individual has a close association 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.
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6. Identification, Declaration and review of interests

6.1 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, for example, a procurement exercise; and
- 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).

A declaration of interest form is available on Sonic Hub (under the User Guide Section).

Declarations should be made to: Marina Ferrari (marina.ferrari@tdlpathology.com)

The Director of Human Resources is responsible for:

- Reviewing current policies and bringing them in line with this guidance;
- Providing advice for staff on how interests should be managed;
- Assigning training and support resources;
- Ensuring the register(s) of interests are maintained; and
- Auditing policy, process and procedures relating to this guidance at least every three years.

The register(s) of interest will contain all detail from the declaration form. The register of interests will be circulated to the Audit and Risk Committee at least once a year. After expiry, an interest will remain on published register(s) for a minimum of six months and a private record of historic interests will be retained for a minimum of six years.

We will prompt decision making staff annually to review declarations they have made and, as appropriate, update them or make a nil return.

7. Records and publication

The organisation will maintain a Declaration of Interest Register & a Gifts & Hospitality Register.

All declared interests that are material will be promptly transferred to the register(s) by Marina Ferrari.

We will:

- Publish the interests declared by decision making staff in the Declaration of Interest Register & a Gifts & Hospitality Register.
- Refresh this information Annually;
- Make this information available on the HSL website.

The registers will also be made available to the finance and procurement teams, to ensure that all conflicts of interest are identified and can be managed appropriately.

If decision making staff have substantial grounds for believing that publication of their interests should not take place then they should contact Marina Ferrari 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.

8. 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; and
- 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 the organisation 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.

9. 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.

Gifts

- Staff should not accept gifts that may affect, or be seen to affect, their professional judgement or the outcome of business transactions; and
- The organisation will only provide gifts to internal or external parties which are branded, have a nominal value and are incidental to any formal contractual arrangements.

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; AND

- Low cost branded promotional aids such as pens or post-it notes may, however, be accepted where they are under the value of £6¹ in total and need not be declared.

Gifts from other sources:

- 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 the organisation by a Director of TDL, and not in a personal capacity. These should be declared by staff whether accepted or declined;
- 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); and
- 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.

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;
- Whether the offer was accepted or declined, and the reason for this decision;
- 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).

Hospitality

- Staff should not ask for or accept hospitality that may affect, or be seen to affect, their professional judgement or the outcome of a business transaction;
- 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;
- On occasion it might be appropriate for professional relationship reasons to accept hospitality to a purely social event. In this instance, the event should be attended in the member of staff's own time, taking annual leave as necessary. The invitation should be recorded in the register whether accepted or declined; and
- The organisation may provide hospitality for meetings, conferences and workshops with other organisations where there is a genuine business reason. This hospitality should be modest and appropriate to the occasion and subject to senior approval.

¹ The £6 value has been selected with reference to existing industry guidance issued by the ABPI: <http://www.pmcps.org.uk/thecode/Pages/default.aspx>

Meals and refreshments:

- Under a value of £25 - may be accepted and need not be declared;
- Of a value between £25 and £75² - may be accepted and must be declared, whether accepted or declined;
- 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; and
- 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 prior 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); and
 - Offers of foreign travel and accommodation.

What should be declared

- Staff name and their role with the organisation;
- The nature and value of the hospitality including the circumstances;
- Whether the offer was accepted or declined, and the reason for this decision;
- 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).

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;
- Any payment that is received for speaking at conferences etc. (sometimes referred to as an Honorarium) in the organisation's time should be paid to the organisation; and
- 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.

² The £75 value has been selected with reference to existing industry guidance issued by the ABPI <http://www.pmcpsa.org.uk/thecode/Pages/default.aspx>

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. Please ensure that you follow the exclusive employment expectations set out in our employee handbook.

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 including days and times);
- Relevant dates; and
- 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).

Other interests

- Loyalty interests should be declared by staff involved in decision making where they:
 - Hold a position of authority in another organisation which could be seen to influence decisions they take in their role;
 - Sit on advisory groups or other paid or unpaid decision making forums that can influence how an organisation spends;
 - Are, or could be, involved in the recruitment or management of close family members and relatives, close friends and associates, and business partners; or
 - 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.
- 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; and
- There is no need to declare shares or securities held in collective investment or pension funds or units of authorised unit trusts.

What should be declared

- Staff name and their role with the organisation;
- Nature of the interest;
- Relevant dates; and
- 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).

Donations and sponsorship

- 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;

- 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 a registered 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;
- 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;
- 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 organisation;

What should be declared

- The organisation will maintain records in line with the above principles and rules and relevant obligations under charity law.
- Funding sources for research purposes must be transparent;
- External sponsorship of a post requires prior approval from the organisation; and
- Rolling sponsorship of posts should be avoided unless appropriate checkpoints are put in place to review and withdraw if appropriate.

What should be declared

- The organisation will maintain records regarding sponsored events, sponsored research, and sponsored posts in line with the principles and rules documents;
- Staff should declare:
 - Staff name and their role with the organisation;
 - Nature of their involvement in the sponsored event/ research/ post;
 - Relevant dates; and
 - 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).

10. Management of interests – advice in specific contexts

10.1 Strategic decision making groups

The organisation 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; and
- Selection of equipment, and devices.

The interests 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 HSL Board of Management Representatives
- The HSL Finance Committee
- The Group Medical Committee
- The HSL Innovations Committee

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); and
- 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; and
- 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.

10.2 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.

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.

11. 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'.

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 to the Group CFO.

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 you can review the Whistleblowing 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; and
- Take appropriate action as set out in the next section.

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; and
- 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, 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); and
- 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; and
- Legal action, such as investigation and prosecution under fraud, bribery and corruption legislation.

Learning and transparency concerning breaches

Reports on breaches, the impact of these, and action taken will be considered by the HSL Audit and Risk Committee at least Annually.

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 as appropriate, and made available for inspection by the public upon request.

12. Fraud and bribery

- As set out in the organisation's Anti-Fraud and Bribery Policy the organisation has a zero tolerance attitude towards fraud and bribery. Circumstances around gifts, hospitality and interests could be considered a bribe and all members of staff should consider this in all actions involving gifts, hospitality or interests to protect themselves and the organisation from criminal prosecution;
- Any inference that gift or hospitality provision was intended as a bribe would be strengthened if:
 - There was any unjustifiable 'add-ons', for example to travel or accommodation; or
 - The expenditure was related in time to some actual or anticipated business with the recipient, particularly where some form of competitive process is involved.
- It is expressly prohibited for a member of staff to accept any gift or benefit from an organisation that is actively involved in a tender process with the organisation. This prohibition commences at the point that an invitation to tender is published and extends to period three months after a contract has been awarded;
- Therefore, it is the responsibility of every member of staff to:
 - Act in accordance with this policy;
 - Treat with extreme caution any offers of gifts, favour, hospitality or token of goodwill made by suppliers, or potential suppliers of goods or services to the organisation;
 - Identify and declare material interests at the earliest opportunity.
- It is the responsibility of managers to:
 - Act in accordance with this policy;
 - Ensure that staff under their responsibility are aware and adhere to the policy;

- To consider and approve/decline requests to staff in accordance with the policy.

13. Approval and Ratification

This policy will be reviewed within 2 years from publication, unless an earlier review is required. This will be led by the Group CFO.

The Audit and Risk Committee is authorised by the Board to measure the reach, compliance and effectiveness of the policy on its behalf. This includes a mechanism for measuring the cumulative value of gift, hospitality or sponsorship offered by external parties. Should the Audit and Risk Committee have any concerns regarding compliance or management of the policy, these are raised to the Board.

The Audit and Risk Committee reviews the conflicts of interests register annually and reviews the policy on a 2 yearly basis to ensure the policy continues to be efficient, effective and in line with national guidance.

15. Approval and Ratification

Name of Document: Declaration of Interest and Gifts & Hospitality Policy and Procedure

This policy was agreed by the Audit & Risk Committee

Name of Company Lead: Matt Gibbins (Group Director of Human Resources)

Signature:  _____
Matt Gibbins (Apr 18, 2023, 9:28am)

Date: 18 Apr 2023

Name of Company sub-Lead: Nicola Craig

Signature:  _____
Nicola Craig (Apr 18, 2023, 10:15am)

Date: 18 Apr 2023

Date of Next Review: April 2025