



Conflicts of Interest Policy Statement



ST GEORGE HOUSING LIMITED

(St George Housing)

BOARD POLICY ON CONFLICTS OF INTEREST

1. INTRODUCTION

- 1.1 St George Housing is committed to achieving the highest standard of good governance as it conducts its activities and to operating and maintaining an honest, open and transparent business environment. As part of this commitment St George Housing has an Anti-Bribery and Corruption Policy, manages the business in accordance with the NHF Code of Governance and maintains a register for all trustees and other officers with any business interests outside St George Housing.
- 1.2 In coming to decisions, St George Housing's Board members must:
 - 1.2.1 act in the best interests of St George Housing and its residents; and
 - 1.2.2 be mindful of actual or perceived conflicts between St George Housing's best interests on one hand and their personal interests or other interests with which they might be associated, on the other.
 - 1.2.3 take decisions in a transparent and fair manner to avoid any question of impropriety.
- 1.3 A conflict of interest is a situation in which an officer's personal interests, or interests (or loyalty) they owe to another body, and those of St George Housing, conflict or appear to conflict with each other.
- 1.4 This policy applies to the current and any future Board (or committee) members (the **officers**) who must declare any external business interest upon joining St George Housing. This declaration will be recorded by the Secretary on St George Housing's [Register of Interests](#).
- 1.5 The law imposes a broad legal duty on Board Members and other officers to avoid any situation which does or could give rise to a conflict in interest between those of the officer and St George Housing. All Board Members, on their appointment as part of St George Housing's induction procedure are informed that they have a legal obligation as a director of St George Housing to avoid conflicts of interest as per the Department for Business Innovations and Skills – "*Director's Guidance Publication*" sent to an individual on their appointment as a director. This guidance states amongst other things:-

"To avoid conflicts of interest:-

- You must avoid putting yourself in situations where your loyalties might be divided.



- You should consider the positions and interest of your family in case of potential conflicts.”

These legal obligations in respect of conflicts of interest are also reflected in St George Housing’s board appointment terms.

2. IDENTIFYING CONFLICTS OF INTEREST

- 2.1 Potential or actual conflicts can arise prior to the appointment of an officer or during their appointment. They can take different forms and do not have to come in the form of financial gain. The purpose of this policy is to assist officers not only to identify any such conflicts but also to demonstrate that they have dealt with them effectively.
- 2.2 Potential or actual conflicts of interest could take the following forms:
- Direct financial gain or benefit to the officer:
 - Indirect financial gain;
 - Conflict of loyalties.
 - Situations such as the following:
 - The employment of a relative;
 - The housing of a relative;
 - An interest in any property being purchased by St George Housing;
 - An interest in any company or firm or business selling or being an agent for any property being purchased by St George Housing;
 - A business or personal relationship with any person or firm earning fees from work; placed by St George Housing including contractors and suppliers;
 - A business or personal relationship which any person or firm entering into a contract to carry out work for St George Housing including contractors and suppliers;
 - Tenancy or leasehold interest of a property owned by St George Housing.

This paragraph is not intended to be a complete or exhaustive list. **Each officer is responsible for considering and disclosing any other actual or potential conflicting interest. It is safer to over-declare than under declare and officers should always err on the side of caution.**

3. DECLARING AN INTEREST

- 3.1 Each year on 1st April, the Secretary will circulate to every Board member the detail contained on the Register in respect of their declared Business Interest. The Board member must confirm the accuracy of their entry and update their Declaration of Interest Form within 10 working days. It is the responsibility of each individual covered by this policy to ensure the complete disclosure of all activities and interests covered by this policy (at the time such an activity or interest arises) to the Secretary.
- 3.2 Additionally if an officer has an actual or partial conflict of interest in respect of any matter to be discussed at a board or committee meeting, he should declare this even if it has been declared previously and entered in the register. A declaration should be made during the “declaration of interest” item with which each meeting will start or, if he cannot or does not do this, before the matter is discussed.
- 3.3 The minutes of the meeting or discussion will reflect the conflict and if necessary, the officer’s records will be updated.

4. POLICY ON SITUATIONAL CONFLICTS

- 4.1 Given the lack of precision on definitions of conflicts, where there is uncertainty as to whether or not a situation gives rise to a conflict, the Board has adopted a policy where authorisation should be sought rather than risk a breach of duty. Board Members are therefore required to notify the Board:
- (a) in relation to all current and future directorships held in other companies, charities or businesses.
 - (b) in relation to any appointment to a public body (or anybody fulfilling a public service) where the interests of the body may conflict with those of St George Housing; and
 - (c) in relation to any directorships held with joint venture companies.
- 4.2 It should be noted that while the likelihood of a conflict may be lower for some non-executive appointments, the rules make no distinction between executive and non-executive officers, and as a general rule it is still reasonably likely that duties may conflict. The safer course is therefore for all directorships to be authorised.
- 4.3 Identifying and notifying a conflict (and proposing them for authorisation) is the responsibility of the officer concerned.
- 4.4 Where a conflict arises that has not had prior authorisation from the Board, the officer concerned may decide to take steps to mitigate the conflict by, for example, absenting himself from Board discussion or, in extreme cases, standing down from the Board. However, taking such steps does not absolve an officer from a breach of the duty (which is to avoid the situation rather than to take steps to mitigate its effect).

- 4.5 If in doubt as to their position, and as to whether a situation gives rise to a conflict, an officer may wish to seek independent legal advice.
- 4.6 Where an officer decides that a situation of conflict has arisen, they should declare the conflict to the Board.
- 4.7 Once the conflict has been declared, the non-conflicted officers shall:
 - 4.7.1 assess the nature of the conflict;
 - 4.7.2 decide whether the conflict is material or has the potential to be detrimental to the conduct or decisions taken by the Board, or committee as the case may be);
 - 4.7.3 decide whether the conflict creates a specific conflict situation of the kind described in paragraph 6; and
 - 4.7.4 decide what steps to take to avoid or manage the conflict.
- 4.8 The conflicted officer must not take part in the discussion or decisions referred to in paragraph 4.7 and will not be counted when determining whether the Board meeting is quorate.
- 4.9 The non-conflicted officers may:
 - 4.9.1 agree that the conflicted officer may continue to participate in discussions and/or the decision-making process (i.e. authorise the conflict);
 - 4.9.2 exclude the conflicted officer from discussions in relation to the matter to avoid inadvertently influencing the non-conflicted officers;
 - 4.9.3 exclude the conflicted officer from decision-making in relation to the matter while the conflict exists;
 - 4.9.4 delegate the conflicted officer's vote on the matter on which he has a conflict to one of the non-conflicted officers (this will usually be the Chair, unless the conflict involves the Chair);
 - 4.9.5 delegate the matter to a sub-committee of non-conflicted officers;
 - 4.9.6 seek independent, professional advice to help with a decision;
 - 4.9.7 appoint an alternative, non-conflicted officer; (perhaps for a limited duration or restricted to a particular decision-making process);
 - 4.9.8 decide not to authorise the conflict; or
 - 4.9.9 require the resignation of the conflicted officer where the conflict is acute or pervasive and cannot be managed.

- 4.10 The Chief Executive will note in the minutes of the meeting the conflict declared, an outline of the discussion and the actions taken to manage the conflict.
- 4.11 If there is evidence that individual officers have withheld information or provided misleading information about their interests or those of a person closely connected to them, the Board will consider removing them from office.
- 4.12 If any officers have any concerns in regard to this policy or in regard to any potential conflicts they should notify the [Chief Executive], in the first instance or the Chair, who may discuss their concerns with the other officers and/or obtain legal advice.
- 4.13 The Chief Executive will maintain a register of situational conflicts which have been notified to the Board.
- 4.14 The Board will review the register of situational conflicts at least annually. However, it is the officer's duty to notify St George Housing via the [Chief Executive] as soon as they are aware of any change to their existing authorised conflicts or any new conflict of interest and should not wait for the next formal review.

5. POLICY ON TRANSACTIONAL CONFLICTS

- 5.1 Any officer that is directly or indirectly interested in a proposed or an existing transaction or arrangement with St George Housing must declare the nature and extent of that interest to the other officers as soon as possible. This notification can be made by email.
- 5.2 The Chief Executive will maintain a separate register of interests in such transactions or arrangements.

6. SPECIFIC CONFLICT SITUATIONS

- 6.1 The Board is conscious of St George Housing's position as a non-profit provider of social housing. Given the above, it has discussed and agreed how it will deal with and manage the following particular specific conflict situations (if either of them arise).

FINANCING ARRANGEMENTS WITH RELATED BODIES

- 6.2 If it falls to St George Housing to consider entering (either as borrower or lender) into a loan agreement with a Related Body, then no officer who is also a shareholder, officer, nominee or employee of the Related Body (the **conflicted officer**) may take part in a board members' vote (whether at a board meeting or by written officers' resolution):
 - 6.2.1 as to whether or not St George Housing should enter into the loan agreement; or
 - 6.2.2 on any of the terms of the loan agreement.

This paragraph will not prevent the conflicted officer from taking part in discussions or remaining at a board meeting to provide relevant information to the rest of the board (subject to his being authorised to discuss/inform by the non-conflicted officers under paragraph 3 of this policy).

ACQUISITION PROPOSALS

- 6.3 St George Housing recognises that the executive directors of St George Housing shall have **operational** responsibility for carrying out its strategy and that they shall execute their responsibility by finding properties to acquire and other business opportunities and bringing these to the Board for approval.
- 6.4 In order to ensure independence of decision making in relation to acquisitions:
- 6.4.1 The executive director(s) responsible for bringing a particular proposal to the board may not vote on the proposal (whether at a board meeting or on a written directors' resolution) unless authorised to do so by:
- (a) a majority of the unconflicted directors present; and
 - (b) a majority of the independent non-executive directors present,
- provided that, in the case of a meeting, the unconflicted directors form a quorum by themselves or, in the case of a written directors' resolution, all the unconflicted directors eligible to vote on the resolution vote in favour of authorisation.
- 6.4.2 Notwithstanding the above, the conflicted executive director(s) in question may take part in discussions on the proposal or remain at a board meeting to provide relevant information to the rest of the board (subject to his being authorised to discuss/inform by the non-conflicted officers under paragraph 3 of this policy).
- 6.4.3 Additionally, any resolution to proceed with the acquisition must be approved by:
- (a) a majority of the directors authorised to vote; **and**
 - (b) a majority of the independent non-executive directors present at the meeting.

ASSET SALE

- 6.5 If a proposal is made by the executive directors to sell any of St George Housing's social housing assets for liquidity purposes, then:
- 6.5.1 The executive director(s) responsible for bringing a particular proposal to the board may not vote on the proposal (whether at a board meeting or on a written directors' resolution) unless authorised to do so by:

- (a) a majority of the unconflicted directors present; and
- (b) a majority of the independent non-executive directors present,

provided that, in the case of a meeting, the unconflicted directors form a quorum by themselves or, in the case of a written directors' resolution, all the unconflicted directors eligible to vote on the resolution vote in favour of authorisation.

6.5.2 Notwithstanding the above, the conflicted executive director(s) in question may take part in discussions on the proposal or remain at a board meeting to provide relevant information to the rest of the board (subject to his being authorised to discuss/inform by the non-conflicted officers under paragraph 3 of this policy).

6.5.3 Additionally, any resolution to proceed with the acquisition must be approved by:

- (a) a majority of the directors authorised to vote; and
- (b) a majority of the non-executive directors present at the meeting.

6.6 It is noted that the Chief Executive is the shareholder of the Company and therefore may have the power in some circumstances to override decisions of the Board. However, the Chief Executive is also obliged by his Ringfencing Agreement with the Company not to exercise this power (except in certain, restricted circumstances which involve the best interests of the Company).

7. REVIEW

This policy shall be reviewed at least annually by the Board. Changes to any part of this policy including this paragraph 7 require the unanimous approval of the non-executive directors.



Annex: Definitions

Connected Persons: In broad terms this means family, relatives or business partners of a trustee, as well as businesses in which a trustee has an interest through ownership or influence. The term includes a trustee's spouse, or unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where a trustee or family member holds at least one-fifth of the shareholding or voting rights. If in doubt about whether a person or business is a connected person, seek advice in the first instance from the [Chief Executive].

Related Body: includes any body corporate in which one or more of the Board Members or the Chief Executive own a majority of the issued shares, or have the majority of the vote at a general meeting or has significant influence.

DECLARATION OF INTERESTS

This form should be completed annually, and also at any time when a new matter to be declared arises. Please be aware that it is your duty as a Board Member and a requirement of St George Housing's Code of Governance, that you keep your declarations up-to-date. Any fields that do not apply should be left blank or if you have no interests in a particular category insert "NIL". Completed forms should be given to the Secretary, and will be recorded as appropriate in the Register of Interests.

Your details

Your name		
Your position within St George Housing – please list all that apply	Board member	
	Executive Officer	
	Resident or service user	

Declaration of compliance

I declare that I have read and understood St George Housing's Code of Conduct and agree to comply in full with it. In accordance with the Code, I make below a full declaration of any and all interests which may, or may be perceived to, conflict with my position with St George Housing.

Categories of Interest
Are you or any person connected with you (a connected person)*a tenant, leaseholder or licensee of accommodation owned or managed by St George Housing? or

Answer

Do you or any connected person have any interest in property owned or managed by St George Housing?
Are you, or any person connected with you employed within St George Housing or elsewhere within the social housing / not-for-profit sector or within a relevant local authority?**
Are you, or any person connected with you, a member of the Board or of any Committee of: • any other registered provider of social housing, or any associate, subsidiary or parent of any other registered provider of social housing; • any other not-for-profit organisation; or • any other registered provider, body corporate or business?
Are you, or any person connected with you an officer or elected member of any government body or local authority?
Do you, or any person connected with you, have any interest in a business or firm or organisation that has contracted with St George Housing, is on one of St George

Housing's approved panels or which does work for fees for St George Housing, whether on a continuous basis or from time to time?
Are you or any person connected with you a member of a political party, or lobbying group or recognised trade union or any society, membership of which is not open to the public?
Do you have any interest as an owner or controller of more than two per cent of the shares of a publicly listed company?
Do you have any interest as an owner or controller of more than ten per cent of any company?
Do you have any interest as a director or officer of a body, body corporate or firm which is not covered by any other category?
Do you have any other interest or loyalty that might reasonably or does conflict with your duties as a Board Member within St George Housing?
Have you received any relevant gift or form of hospitality relating to St George Housing this year that you have not yet declared?
Do you have any close links with any society, company or authority? 'Close links' includes any directorships or senior positions held in other organisations.

If you have answered “YES” to any of the questions above, please insert details of the interest you are declaring in the section below. Please use as many extra sheets as you need.

Details of the Declaration

Please give details of whom this declaration concerns – you, a family member, friend or other person	
Describe the actual or potential conflict of interest, stating for instance whether it relates to: (a) An employment matter (b) A business matter (c) A trusteeship or directorship (d) Land or property (e) A tenancy or leasehold matter (f) Membership of an organisation or society	

(g) A position of public responsibility (h) Other	
Give further details of any firm, business, agency, society or other organisation involved	
Give details of any payment, benefit, transaction, contract, property, land, that is involved (with details such as date, location and sums involved)	
Give details of any gift or hospitality that is involved (with details such as date, location and estimated value)	
Give details of any job application or other employment matter that is involved	
Give details of any tenancy or leasehold matter, application for housing etc. that is involved	
Please give details of any close links with any society, company or authority. 'Close links includes any directorships or senior positions held in other organisations.	

Please add any further details about the matter you are declaring	
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Statement

I consent to the information contained in this declaration being used for the purposes described in St George Housing's Policies and for no other purpose.

I confirm that, to the best of my knowledge:

- the information contained in this declaration is complete and accurate; and
- I am not aware of any conflicts, other than those contained in this declaration, that exist between my role as a member of St George Housing's staff and my personal or other interests.

I undertake to:

- review this declaration at least once in every 12-month period and update it if necessary;
- update this declaration as and when my circumstances change; and
- declare promptly any conflict that arises in the future.

Signed	
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Position	
Date	

***A person is connected with you (a connected person) if:**

- they are a family member (for example: grandparent; parent; parent-in-law; step-parent; grandchild; child (including step- and foster-children); sibling; cousin; uncle; aunt; nephew; niece; spouse; partner); or
- they are a person who could reasonably be regarded as similarly to family members even where there is no relationship by birth or in law; or
- they are person with whom you otherwise have a close association (such as a close friendship or close business relationship).

You are not required by St George Housing's policy or this form to make extensive enquiries into the interests of your extended family and friends – we only need to know of those interests of which you are aware or ought reasonably to be aware.

**** Relevant local authorities: [Councils]**