

Probity Policy

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Issue: **2** For approval by: **St Mungo's Board**

1.0 Policy

- 1.1 St Mungo's is committed to ensuring the highest standards of probity and conduct. The purpose of this policy is to ensure that trustees, staff and involved clients, act and are seen to act, wholly in the interests of St Mungo's and its beneficiaries, and that any potential conflicts of interests are openly declared and properly resolved.
- 1.2 St Mungo's has adopted a Remuneration Policy and Procedure to ensure that remuneration decisions are lawful, transparent, fair and proportionate.
- 1.3 This policy sets out St Mungo's arrangements for ensuring that trustees, staff and involved clients, and those with whom they are closely connected, do not receive preferential consideration in the provision of benefits such as the provision of employment, accommodation or social and welfare benefits.
- 1.4 St Mungo's has adopted and will ensure compliance with a Fraud Awareness and Anti-Corruption policy to prevent bribery and other forms of corruption. Procedures relating to giving and receiving gifts and hospitality are set out in this policy.
- 1.5 A Code of Conduct is in place to ensure that the conduct of trustees, staff and involved clients at meetings, events and in the workplace demonstrates respect for all and promotes the values of St Mungo's.

2.0 Scope

- 2.1 This policy applies to all St Mungo's staff, trustees and representatives conducting business on its behalf, including consultants and contractors. References to 'employees' include all permanent, temporary and agency staff, volunteers and student placements. References to 'trustees' include committee members and clients involved in St Mungo's governance structure.
- 2.2 This policy should be read in conjunction with other relevant policies including the Code of Conduct and the Outside Activities Policy.
- 2.3 St Mungo's will take reasonable steps to ensure that this policy is complied with by all those associated with the organisation, and may terminate that relationship if there is a breach of this policy.

3.0 Diversity Implications

- 3.1 St Mungo's has adopted inclusion as one of its core values and seeks to integrate diversity and inclusion in all aspects of activity.
- 3.2 If this policy is required in another format please contact the Leadership Admin Team.

4.0 Definitions

- 4.1 This policy refers to persons with whom trustees and staff have close connections. A '**closely connected**' person includes family members and persons with whom an individual has a close association.

- 4.2 For the purposes of this policy a **'family member'** has a wide meaning and includes persons who may reasonably be regarded as similar to family members even when there is no relationship by birth or law. It includes a spouse, civil partner, parent, parent in law, grandparent, child, step-child, grandchild, siblings, uncle, aunt, nephew or niece, the partners or dependents of any of these people or any person on whom the individual depends. It also includes estranged, separated or divorced family members.
- 4.3 A person with whom the individual has a **'close association'** would be someone with whom they were in regular or irregular contact over a period of time who was more than an acquaintance. It would be someone who a member of the public might reasonably think the individual would be prepared to favour or disadvantage when discussing a matter that affects them. It may be a friend, colleague, neighbour, business associate or someone known through general social contacts.
- 4.4 Someone is **'connected'** with a company or organisation if he or she, a family or an individual with whom they have a close connection is employed by the organisation either directly or indirectly as a sub-contractor, is a director, owner, trustee or has some other controlling or financial interest, is a shareholder or has some other financial stake or interest in its success or there is some other connection or link that a reasonable person could take to create a conflict of interest.
- 4.5 **'Regulatory bodies'** includes the Charity Commission, the Regulator of Social Housing, the Care Quality Commission and any other government agency whose requirements St Mungo's is required by law to comply with.
- 4.6 A **'senior manager'** is an Executive Director and anyone who reports to an Executive Director (other than administrative support staff) or has been agreed as a member of St Mungo's Leadership Team.

5.0 Responsibilities

- 5.1 The Board is responsible for adopting appropriate policies and procedures to ensure that potential conflicts of interests are properly declared and managed.
- 5.2 The People and Governance Committee is responsible for overseeing the arrangements for declaring and managing conflicts of interest.
- 5.3 The Chief Executive is responsible for approving exceptions to the Probity Policy where there is a business need and the policy allows for this.
- 5.4 The Director of Governance is responsible for maintaining records of declared interests and reporting on probity matters to the Board and / or regulatory authorities.
- 5.5 Managers are responsible for reviewing declared interests and implementing arrangements to ensure that they are properly managed.
- 5.6 The responsibilities of individual trustees and members of staff for probity and conduct is set out in their terms of appointment and will form part of their induction. Others directly involved in the delivery of St Mungo's business such as agency staff or contractors will be required to comply with this and other relevant policies.

6.0 Conflicts of interest

- 6.1 Conflicts of interest take many forms, they may be a financial benefit or some other advantage; the interest may be direct or indirect through a close relative or associate. Some of the usual personal interests which trustees and staff should consider declaring are:
- 6.1.1 Employment or self-employment, company directorships and business partnerships;
 - 6.1.2 Ownership or a significant shareholding in a company providing goods and services to the housing sector;
 - 6.1.3 Membership of a local authority, public body, housing association or charity with an interest in St Mungo's area of operation;
 - 6.1.4 Tenancy or occupation in a property owned by St Mungo's;
 - 6.1.5 Positions of public responsibility;
 - 6.1.6 Membership of a campaigning organisation or community association which has an interest in St Mungo's activities.

No written guidance is likely to cover all circumstances in which an interest should be declared, if in doubt the matter should always be declared.

- 6.2 All candidates for trustee and staff roles must complete a Declaration of Interest Form, even if they have nothing to declare.
- 6.3 Where a shortlisted candidate has declared a potential conflict of interest, this must be referred to the recruiting manager. The recruiting manager is responsible for ensuring that any potential conflicts of interest have been considered and that appropriate arrangements are in place. In cases where there is a serious or continuing actual conflict of interest the appointment should not be made.
- 6.4 Declarations made by trustees and staff will be recorded on the Register of Interests maintained by the Director of Governance. The Director of Governance will keep the register under review and escalate any issues of potential non-compliance.
- 6.5 Trustees and staff are responsible for ensuring that their Declaration of Interests is up to date and notifying the Director of Governance of any changes. A reminder will be sent at least annually.
- 6.6 Failure of an employee to report any necessary disclosures will be regarded as a disciplinary offence which may prejudice the employee's continued employment. Failure to report a potential conflict of interest by a trustee will be regarded as a governance disciplinary matter and may result in removal from post.

7.0 Gifts and Hospitality

- 7.1 Trustees and members of staff are encouraged not to accept gifts from clients, suppliers or contractors and third parties. However, it is accepted that there is a difference between a small token of appreciation and a larger gift which could be considered a bribe. In such cases gifts may be accepted provided they are trivial (and can be sensibly valued at approximately £20 or under).

- 7.3 Larger gifts which have been accepted must be recorded on a Declaration of Gifts and Hospitality Form and the line manager must agree how the gift will be dealt with. Where practical, such gifts should be shared with clients or staff.
- 7.4 Nominal items such as pens, keyrings or notebooks and other promotional items do not need to be declared.
- 7.5 Accepting gifts of cash or gift vouchers from clients, suppliers or contractors and third parties is absolutely prohibited. This blanket prohibition also applies to indirect contributions, payments or gifts made as an inducement or reward for improper performance or behaviour. Equally, all offers of gifts from any party with whom St Mungo's is in formal contract or tendering negotiations should not be accepted.
- 7.6 Trustees and members of staff should exercise discretion in accepting outside hospitality from third parties, as acceptance may later be thought to have affected impartiality in official business, and it may be more difficult to avoid some obligation to the party offering it.
- 7.7 Particular care should be taken in receiving hospitality from contractors or suppliers, or other individuals or firms who stand to benefit from St Mungo's favour. Offers of hospitality from any party with whom St Mungo's is in formal contract or tendering negotiations should be not be accepted.
- 7.8 There are cases when the receipt of hospitality is appropriate in order to further St Mungo's business interests, for example attendance at a function hosted by a local authority. The decision to accept hospitality must depend on the circumstances of the individual case.
- 7.9 Hospitality in the form of working lunches / dinners, up to a maximum of £20 per person may be offered. All hospitality offered above the £20 threshold must be recorded in the Gifts and Hospitality Register.
- 7.10 Declarations of Gifts and Hospitality will be recorded in the Gifts and Hospitality Register, maintained by the Director of Governance. The register will be reviewed biannually by the Executive Team.

8.0 Contractors and suppliers

- 8.1 St Mungo's will, in general, not trade with a business organisation with which a trustee or staff member has an interest unless there is a good case for proceeding. In cases where there is a business need the Chief Executive may approve an exemption to allow the use of a business that would otherwise be unavailable. Exemptions approved by the Chief Executive must be reported to the next People and Governance Committee meeting.
- 8.2 Trustees and members of staff who are involved in the procurement of goods and services must declare any connections they have with potential suppliers, contractors or consultants, prior to the appointment of that supplier, contractor or consultant.
- 8.3 All suppliers and contractors must complete a Declaration of Interest Form. Where a potential conflict has been declared, the contract manager is

responsible for ensuring that arrangements are in place to protect St Mungo's interests.

- 8.4 Where possible, trustees and staff members should avoid using consultants, contractors, or other individuals or firms they know also work for St Mungo's. If this is not possible, they should confirm to the Director of Governance that the supply of goods or services was at market value. The Director of Governance will maintain a record of such interests.
- 8.5 Contractors directly involved in directly delivering St Mungo's business activities will be required to comply with relevant policies, procedures and codes of conduct.

9.0 Corporate Sponsorship

- 9.1 St Mungo's receives charitable donations and support from a number of corporate partners. Where these corporate partners also supply St Mungo's with goods and services, care will be taken to ensure that there is a clear separation between fundraising and procurement activities.
- 9.2 If staff wish to approach suppliers or contractors for charitable donations or sponsorship, they must do this through the Fundraising Team, who will keep records of charitable donations and any terms on which they are received.
- 9.3 It is important that there is complete transparency in this process to ensure compliance with the Bribery Act 2010. Suppliers and contractors must not be put under any obligation to provide sponsorship or support and must not receive any benefit or detriment.
- 9.4 When there is a short period left on a contract with a supplier or where we are in contract negotiations with them, St Mungo's will not approach them for sponsorship.

10.0 Accommodation and Services

- 10.1 St Mungo's will not offer accommodation to trustees, staff members or their close relatives except where the individual is in housing need and fully meets the criteria set by St Mungo's. Neither the individual nor anyone connected with the applicant can have any involvement in the allocation process and the applicants' personal interest must be disclosed. Decisions related to the provision of accommodation for trustees or executive directors must be approved by the Board.
- 10.2 If a staff member, a trustee or their close relative becomes engaged with St Mungo's services, this must be declared. In the case of staff, the Regional Head of that service, is responsible for ensuring that any potential conflict of interest is appropriately managed. In the case of trustees, this is the responsibility of the Chief Executive.

11.0 Employment matters

- 11.1 Trustees or their close relatives will not be employed while the trustee remains on the Board. Involved clients or close relatives of staff members may

be employed provided that a full and fair competitive recruitment process has been followed and the staff member or involved client has had no involvement or influence in the recruitment and selection process.

- 11.2 Staff who have left St Mungo's within the last twelve months will only be re-employed or engaged as a contractor provided a full and fair competitive recruitment process has been followed and the staff member has had no involvement or influence in the recruitment and selection process.
- 11.3 The appointment of former employees as trustees will only be considered after a twelve month period has passed. Any application will be subject to a full and fair process for competitive recruitment.
- 11.4 Staff members must ensure that their activities outside of work do not interfere or impact negatively on St Mungo's. An Outside Activities Policy has been agreed setting out the process staff must use for gaining permission to undertake certain additional activities.

12.0 Payments and benefits

- 12.1 Trustees are not entitled to receive payment for services provided, however out-of-pocket expenses incurred in carrying out their duties will be reimbursed. An annual disclosure on the level of payment made to trustees and the Chief Executive will be made in the accounts.
- 12.2 St Mungo's approach to determining pay and other benefits is set out in the Remuneration Procedure. Payments to staff will be made in accordance with legal or contractual entitlements. Statutory redundancy will be paid as enhanced by any specific contractual addition agreed by the Board from time to time or as set out in individual contracts of employment transferred to St Mungo's under TUPE regulations. Staff are not entitled to receive bonus or ex-gratia payments.
- 12.3 Decisions to make payments to clients to incentivise or reward participation or other behaviour will be made by the Board only after consideration of all relevant factors including how the incentive or reward will better enable St Mungo's to achieve its aims and objectives, the views of clients and other stakeholders and any published guidance or sector norms.
- 12.4 In some circumstances, such as to mark long service, it may be appropriate for St Mungo's to offer a gift and / or hospitality to trustees, staff or involved clients. This decision will be made by a senior manager and the gift and / or hospitality must always be of a modest value.
- 12.5 In some cases it may be necessary for St Mungo's to make an out of court settlement, this will only be done where a business case supports the necessity for early resolution and the legal advice indicates that it is in the best interests of St Mungo's to do so.

13.0 Compliance and Monitoring

- 13.1 The Director of Governance will report to the People and Governance Committee on compliance with the Probity Policy and any significant declarations of potential or

actual conflicts of interest. The People and Governance Committee will review the declared interests for trustees and executive directors annually.

- 13.2 Exceptions to the Probity Policy, agreed by the Chief Executive will be reported to the next meeting of the People and Governance Committee.
- 13.3 Breaches of the Probity Policy should be brought to the attention of the Director of Governance and reported to the People and Governance Committee. If the breach is serious it will be reported to the Board who may decide to notify one or more of St Mungo's regulators.
- 13.4 Individuals who need to come forward on a confidential basis to disclose serious concerns and/or suspected malpractice may do so using the Whistleblowing Policy. Breaches will be investigated by someone independent to the parties involved and serious cases may necessitate the appointment of an external investigator.

14.0 Relevant Documents, Policies and Procedures

Fraud Awareness and Anti- Corruption Policy

Whistleblowing Policy

Procurement Policy

Outside Activities Policy

Code of Conduct (staff)

Code of Conduct (trustees)

Declaration of Interest Form

Gifts and Hospitality Form

National Housing Federation's Code of Governance and the Charity Code.

This policy and procedure was developed in consultation with:
1.Governance and Leadership Administration Team 2.Human Resources 3.People and Governance Committee