



# Conflict of Interest Policy

This policy has been adopted by Highfield Park Trust

Date Ratified: July 2018

Review Date: May 2019

Signed:

Position: Chair of Trustees



## Conflict of Interest Policy

This policy applies to trustees and all staff.

### Why we have a policy

Trustees have a legal obligation to act in the best interests of Highfield Park Trust, and in accordance with the Trust's governing document, and to avoid situations where there may be a potential conflict of interest. [Staff and volunteers have similar obligations].

Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of Highfield Park Trust. Such conflicts may create problems; they can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of Highfield Park Trust
- risk the impression that Highfield Park Trust has acted improperly.

Company law requires directors and trustees of charitable companies to

- exercise independent judgement
- avoid conflict of interest
- not to accept benefits from third parties
- declare any interest in a proposed transaction or arrangement
- declare any interest in an existing transaction or arrangement

### What is a conflict of Interest?

A conflict of interest can be defined as:

“...any situation in which a trustee's personal interests or responsibilities they owe to another body, may, or may appear to influence the trustee's decision making.”

Conflicts of interest arise when the interests of trustees, or “connected persons”, are incompatible or in competition with the interests of Highfield Park Trust. Such situations present a risk that trustees will make decisions based on these external influences, rather than the best interests of the charity.

The most common types of conflict include:

**direct financial interest** - when a trustee obtains a direct financial benefit via:

- the payment of a salary to a trustee by the charity
- the award of a contract to a company with which a trustee is involved
- the sale of property at below market value to a trustee

**indirect financial interest** - this arises when a close relative of a trustee benefits from the charity:

- the awarding of an employment contract to a trustee's spouse
- making a grant to a trustee's dependent child

**non-financial or personal conflicts** – occur where trustees receive no financial benefit, but are influenced by external factors:

- influencing board decisions on service provision to their own advantage, perhaps because they use the charity's service themselves or care for someone who does
- to gain some other intangible benefit or kudos
- awarding contracts to friends

**conflicts of loyalties** - trustees may have competing loyalties between the charity to which they owe a primary duty and some other person or entity.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

### **The declaration of interests**

Accordingly, we are asking trustees and all staff to declare their interests, and any gifts or hospitality offered and received in connection with their role in Highfield Park Trust. A declaration of interests form is provided for this purpose, listing the types of interest you should declare. To be effective, the declaration of interests needs to be updated at least annually, and when any material changes occur.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the company secretary or Chair of Trustees for confidential guidance.

This register of interests shall be used to record all gifts of a value over £50 and hospitality over £50 received by the trustees and staff.

Interests and gifts will be recorded on the charity's register of interests, which will be maintained by the company secretary. The register will be accessible by Chair of the Trust and Company Secretary.

### **Data protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that trustees and all staff act in the best interests of Highfield Park Trust. The information provided will not be used for any other purpose.

### **What to do if you face a conflict of interest**

If you believe you have a perceived or real conflict of interest you should:

- declare the interest at the earliest opportunity
- withdraw from discussions and decisions relating to the conflict.

The company secretary should take special care to ensure that minutes or other documents relating to the item presenting a conflict are appropriately redacted for the person facing the conflict. A balance needs to be made to ensure that the person still receives sufficient information about the activities of the charity generally without disclosing such sensitive information that could place the individual in an untenable position.

If you are user of Highfield Park Trust's services, or the carer of someone who uses Highfield Park Trust's services, you should not be involved in decisions that directly affect the service that you, or the person you care for, receive(s). You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion, unless expressly invited to remain in order to provide information. In this case you may not participate in, or influence, the decision or any vote on the matter. You will not be counted in the quorum for that part of the meeting and must withdraw from the meeting during any vote on the conflicted item.

There are situations where you may participate in discussions from which you could indirectly benefit, for example where the benefits are universal to all users, or where your benefit is minimal. This action will be agreed by the chair and minuted accordingly.

If you fail to declare an interest that is known to the company secretary and/or the chair of the board, the company secretary or chair will declare that interest.

Decisions taken where a trustee or member of staff has an interest:

In the event of the board having to decide upon a question in which a trustee or member of staff has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested board members may not vote on matters affecting their own interests

All decisions under a conflict of interest will be recorded by the company secretary and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

Where a trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP. All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

Where a member of Highfield Park Trust's staff are connected to a party involved in the supply of a service or product to the charity, this information will be fully disclosed in the annual report and accounts.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **Managing contracts**

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.



## Declaration of Interests

I ..... as employee/trustee\* [*\*delete as appropriate*] of Highfield Park Trust have set out below my interests in accordance with the organisation's conflicts of interest policy.

<b>Category</b>	<b>Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection</b>
Current employment and any previous employment in which you continue to have a financial or other interest.	
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.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings of more than 5% of issued capital and beneficial interests	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Family connections where relevant e.g. trustee's spouse/partner working for a similar organisation	
Any contractual relationship with the charity or its subsidiary.	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:

