CHESTERTON COMMUNITY PARTNERSHIP

CONFLICTS OF INTEREST POLICY

Introduction

All staff, volunteers, and Trustees of Chesterton Community Partnership will strive to avoid any conflict of interest between the interests of CCP on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest. The purpose of this policy is to protect the integrity of CCP's decision making process, to enable stakeholders to have confidence in the integrity of CCP, and to protect the integrity and reputation of volunteers, staff and Trustees.

What is a Conflict of Interest?

"A conflict of interest is any situation in which a Trustee's personal interests, or interests which they owe to another body, and those of the charity arise simultaneously or appear to clash. The issue is not the integrity of the person concerned, but the management of any potential to profit from a person's position within CCP, or for a person to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully."

1 **Types of Interest which May Give Rise to Conflict**

A. Financial Benefits or Interests

Direct financial benefits or interests include, for example, employment of the Trustees as employee, consultant or advisor, or the situation where a company of which the Trustees is a director or shareholder, may be considered for a contract by the Charity. Other matters of financial interest include the sale of land or the use of a Trustee's property by the charity, or granting of loans by the Trustees to the charity. Conflicts of interest in such cases are particularly serious and any financial benefit requires authorisation, usually by the Commission.

Indirect financial interests may arise where such potential financial benefits accrue to a close member of the Trustee's family, or even a friend, business partner or colleague. Not all benefits enjoyed by Trustees need to be authorised by the governing document, the Commission or the Courts. It is perfectly acceptable to repay reasonable out of pocket expenses to Trustees. Any costs that are necessary to allow a Trustee to carry out his or her duties as a Trustee can be classed as expenses and recovered from the charity or met directly by the charity. Benefits that are available to all, or that are of inconsequential or little measurable value, will not normally need to be authorised.

While the law states that Trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so, some payments to Trustees are expressly allowed under the provisions of 'A Guide To Conflicts of

Interest For Charity Trustees' published by the Charity Commission reasonable and proper remuneration can be made to a Trustee for services actually rendered to the Organisation.

B. Non-financial Benefits or Interests

These would include a situation where a Trustee directly or indirectly benefits from CCP's services. An example relevant to CCP might be where it is proposed that a Trustee's business might sponsor a CCP event: the Trustee's business would potentially derive a non-financial benefit from the sponsorship (in the nature of public relations exposure) and a conflict of interest would therefore arise between the Trustee's business interests and his/her role as a Trustee. Such a conflict would need to be identified and managed in accordance with the procedures described below.

C. Conflicts of Loyalties

This is when another appointment or employment or association (of the Trustee or of a relative or friend) may potentially influence the decisions of the Trustee in directions which may not be in the best interest of TVHPF. It is expected that other charity roles, particularly as Trustee or employee, should be declared. Any association or relationship with a body or organisation which is or might become an applicant for funds from CCP must be declared. Ultimately, it is not possible to define all the circumstances which may lead to a potential conflict of interest. It is the responsibility of each individual Trustee to declare any matters which he or she feels may present actual or potential conflicts, or the perception of such conflicts. If in doubt, it is better to make a declaration.

Disclosure

Upon appointment each Trustee will make a full, written disclosure of interests (see appendix 1), such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

Handling a Conflict of Interest

In the course of meetings or activities, Trustees will disclose any interests in a transaction or decision where there may be a conflict between the organisations' best interests and the Trustee's best interests or a conflict between the best interests of two organisations that the Trustee is involved with. If in doubt, the potential conflict must be declared anyway and clarification sought. In the case of a conflict of interest arising for a Trustee because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the memorandum or the articles, the "unconflicted" Trustees may authorise such a conflict of interests where the following conditions apply:

1. **The Charity Commission's permission** is sought before a benefit for a Trustee may be authorised that isn't otherwise authorised in the Memorandum of Articles or already authorised in writing from the Commission;

2. **The Trustee** who has declared the conflict of interest withdraws from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

3. **The Trustee** who has the conflict of interest does not vote on any such matter and is not to be counted when considering whether a quorum of Trustees is present at the meeting; 4. The other

Trustees who have no conflict of interest in this matter consider it is in the interests of the charity to authorise the conflict of interest in the circumstances applying. Any such disclosure and the subsequent actions taken will be noted in the minutes. For all other potential conflicts of interest the advice of the Charity Commission will be sought and the advice recorded in the minutes. All steps taken to follow the advice will be recorded. This policy is meant to supplement good judgment, and staff, volunteers and Trustees should respect its spirit as well as its wording

Date adopted ……