



## Conflict of Interest Policy



# CONFLICT OF INTEREST POLICY

## Preamble

Those responsible for administering, working for or being a charity trustee must act in the charity's best interests, which requires them to avoid anything that prevents decisions from being taken by reference to other considerations. It also follows that they must avoid putting themselves in a position where their duty to act only in the charity's best interests could conflict with any personal interest they may have.

This has implications in practice for both individuals with the charity and for the charity collectively:

- Individuals within the charity must identify and declare any conflict of interest on their part; and
- The charity collectively must ensure that they have arrangements that enable conflicts of interest to be identified and dealt with effectively.

The early identification of conflicts of interest is key to ensuring that individuals within the charity and the charity collectively do what is expected of them.

A conflict of interest policy ensures that discussions and decisions of the individuals within a charity are not influenced by any other interests. Its purpose is to ensure that everything that may affect an individual's contribution to a decision is identified, dealt with appropriately and recorded. The Charity Commission's guidance on this is helpful<sup>1</sup>.

Where a conflict of interest is not identified and dealt with appropriately, it can result in decisions or actions that are not in the best interests of the charity and/or which, in the case of interests of a personal kind, can confer an unauthorised benefit on one or more persons of the charity.

Conflicts of interest can take many forms. Some will make it inappropriate for the individual to participate in a discussion or decision; others may simply need to be identified and declared, allowing the individual to continue contributing their experience and expertise to the matter.

## Policy

1. This policy applies to all administering, working for or being a trustee and any other persons, committees, or working parties set up by the Trustees.
2. A conflict of interest is any situation in which a person's personal interests or loyalties could prevent, or could be seen to prevent, the person from making a decision only in the charity's best interests. Such a situation may arise either:
  - (a) Where there is a potential financial benefit to a person, whether directly or indirectly through a connected person (such as a close family person or business partner); or

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<sup>1</sup> <https://www.gov.uk/guidance/manage-a-conflict-of-interest-in-your-charity>

- (b) Where a person's duty to the charity may compete with a duty of loyalty they owe to another organisation or person (e.g. by being a trustee or committee person of a body which has an interest in the matter).
3. Any conflicts of interest must be declared at or before any relevant meeting as soon as the possible conflict becomes known. This must be to an individual who has the authority capable of implementing this policy. When the relevant agenda item is reached, they must also declare their interest at the meeting.
  4. Subject to paragraph 6, where a conflict of interest arises in connection with a personal benefit, the person concerned must withdraw from the meeting and not take part in any discussions relating to it (including discussions to obtain any authority from the Charity Commission that would be required to authorise the benefit)
  5. Subject to paragraph 6, where a conflict of loyalty arises, the Trustees will consider what level of participation, if any, is acceptable on the part of the conflicted person regarding the duty to act in the charity's best interests. However, the normal expectation will be that the conflicted person should withdraw from the meeting during the discussion of the item of business in question.
  6. A person need not withdraw from a meeting if their interest (whether financial or non-financial) is common to a class of persons and is neither (i) significant nor (ii) substantially greater than the interests of other persons of that class. (For example, the fact that a person is a survivor of abuse does not of itself prevent them from acting on a panel dealing with the subject, but other factors may do so).
  7. Any conflict of interest must be recorded in the minutes and the decision on how it was dealt with.