



Hill Rise Hall Community Association

Controlled Document

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Procedures

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Document Description

This policy identifies what a conflict of interest is and how to ensure that Hill Rise Hall's staff, volunteers, trustees and clients do not experience any such conflicts.

Implementation & Quality Assurance

Implementation is immediate and this Policy shall stay in force until any alterations are formally agreed.

The Policy will be reviewed every two years by the Board of Trustees, sooner if legislation, best practice or other circumstances indicate this is necessary.

Conflict of Interest Policy and Procedures

1. Definition

A conflict of interest is any situation in which the personal interests or interests owed to another body, of a trustee, employee or volunteer run counter to those of the Community Association of Hill Rise Hall Basingstoke.

Conflicts of interest occur in those situations where an individual trustee, employee or volunteer stands to gain directly or indirectly through engagement in activities which may potentially affect the Hall adversely. It will also occur if that individual is engaged with an organisation which has aims incompatible to those of the Hall.

2. Trustees

Conflicts of interest can lead to decisions that are not in the best interests of the charity and which are invalid or open to challenge. Conflicts of interest can also damage a charity's reputation or public trust and confidence in charities generally. These harmful effects can be prevented where individual trustees can identify conflicts of interest, and the trustee body can act to prevent them from affecting their decision making.

All trustees have a legal duty to act only in the best interests of their charity.

2.1 Conflicts of interest usually arise where either:

2.1.2 There is a potential financial or measurable benefit directly to a trustee, or indirectly through a connected person.

2.1.3 A trustee's duty to the charity may compete with a duty or loyalty they owe to another organisation or person.

2.1.4 In practice this means that trustees cannot receive any benefit from the Hall in return for the service they provide to the Hall, unless they have express legal authority to do so.

2.1.5 The Charity Commission identifies examples that any of the following may amount to a potential conflict of interest:

2.2 benefits to trustees are where the trustees decide to:

2.2.1 sell, loan or lease charity assets to a charity trustee

2.2.2 acquire, borrow or lease assets from a trustee for the charity

2.2.3 pay a trustee for carrying out their trustee role

- 2.2.4 pay a trustee for carrying out a separate paid post within the charity, even if that trustee has recently resigned as a trustee
- 2.2.5 pay a trustee for carrying out a separate paid post as a director or employee of the charity's subsidiary trading company
- 2.2.6 pay a trustee, or a person or company closely connected to a trustee, for providing a service to the charity
- 2.2.7 employ a trustee's spouse or other close relative at the charity (or at the charity's subsidiary trading company)
- 2.2.8 make a grant to a service user trustee, or a service user who is a close relative of a trustee
- 2.2.9 allow a service user trustee to influence service provision to their exclusive advantage

2.3 Conflicts of loyalty

These conflicts of interest arise because, although the affected trustee does not stand to gain any benefit, the trustee's decision making at the charity could be influenced by his or her other interests.

For example, a trustee's loyalty to the charity could conflict with his or her loyalty to

- 2.3.1 the body that appointed them to the charity
- 2.3.2 the membership or section of the charity that appointed them to trusteeship
- 2.3.3 another organisation, such as their employer
- 2.3.4 another charity of which they are a trustee
- 2.3.5 a member of their family
- 2.3.6 another connected person or organisation

The test is always that there is a conflict of interest if the trustee's other interest could, or could be seen to, interfere with the trustee's ability to decide the issue only in the best interests of the charity.

2.4 Identifying and Declaring conflicts of interest from affecting decision making

Although declaring conflicts of interest is primarily the responsibility of the affected trustee, the trustee body should ensure that they have strong systems in place so that individual trustees:

have a clear understanding of the circumstances in which they may find themselves in a position of conflict of interest

and understand their personal duty to declare them

2.5 Register of Interests of trustees

All trustees should complete a Register of Interests of trustees on an annual basis and be alert to any other possible conflicts of interest and advise the Chair as soon as they arise.

Conflicts of interest is to be a standard agenda item at the beginning of each Board and Committee meeting to allow the opportunity for declaration of any actual or potential interest in any of the items on that agenda.

A trustee should declare any interest which he or she has in an item to be discussed, at the earliest possible opportunity and certainly before any discussion of the item itself.

If a trustee is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other trustees.

If a trustee is aware of an undeclared conflict of interest affecting another trustee, they should notify the other trustees or the chair.

2.5.1 Any trustee who has a financial interest in a matter under discussion, should declare the nature of their interest and withdraw from the room, unless they have a dispensation to speak.

2.5.2 If a trustee has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if they wish.

2.5.3 If in doubt about the application of these rules, the Chair should be consulted.

2.6 Record the conflict of interest

Keep a written record of the decision

The Commission expects the charity's written records to document any conflicts of interest and how the trustees have dealt with them. The usual way to record the trustees' decisions is in the minutes of their meetings.

Where there is a conflict of interest, the trustees should ensure that the written record of the decision shows:

2.6.1 the nature of the conflict

2.6.2 which trustee or trustees were affected

2.6.3 whether any conflicts of interest were declared in advance

2.6.4 an outline of the discussion

2.6.5 whether anyone withdrew from the discussion

2.6.6 how the trustees took the decision in the best interests of the charity

Recording decisions in this way helps trustees to show that they have acted properly and complied with their duties.

2.7 References

The Commission's guidance includes

It's your decision: charity trustees and decision making (CC27)

Conflicts of interest: a guide for charity trustees (CC29)

Charity reporting and accounting: the essentials 2009 (CC15b).

3. Staff and Volunteers

3.1 Staff and volunteers need to be mindful of potential conflicts of interest. These can occur if people use their position with Hill Rise Hall to:

3.1 benefit a third party with whom they are associated e.g. recommend a tradesperson to whom they are related

3.2 discriminate against a service user due to their political or religious views or allegiances

3.3 refer people to agencies with whom they have a connection e.g. to a particular charity with whom you have an involvement

3.4 unfairly benefit a service user to whom they are related e.g. by applying a reduced charge for a service

OR

3.5 are employed or engaged by an organisation in competition with the Charity

3.6 are involved with groups whose values are in conflict with those of the Charity.

This list is not intended to be exclusive but is indicative of the kind of issues that can arise.

Enabling and Home Help staff are expressly forbidden to privately undertake any additional paid work on behalf of a client of that service. Doing so will result in disciplinary action and possible dismissal.

Staff and volunteers who have an interest that potentially could be in conflict with their position with Hill Rise Hall should bring it to the attention of the chairman.

Most conflicts of interest can be successfully managed if they are known and out in the open. Staff and volunteers interests outside of their role with Hill Rise Hall, providing they are transparent, should not necessarily prevent them from continuing in that role.

Where it is deemed that a member of staff or volunteer acted in their own interests to the potential detriment of others or the Charity disciplinary action will be taken.

3.2 Record the conflict of interest

A written record of reported conflicts of interest is to be maintained in a register which is to document any declarations of conflict of interest and how the Committee has dealt with them, noting:

- The nature of the conflict

- The person(s) affected

- How the management took the decision in the best interests of the charity