



Key Principles

Trustees have a duty to act in the best interest of the charity (Hive Bradford).

A conflict of interest, or conflict of loyalty, is any situation where a trustee's personal interests or interest they owe to another person or body may influence a trustee's decision making.

A perceived conflict of interest is where an interest which a trustee has could be seen to influence their decision, even if it doesn't. It's important to recognise where conflicts might be perceived, even if you feel confident won't affect your decision-making. If a situation looks like a conflict of interest, it's best to treat it as one.

There may be situations in which a trustees' loyalty to the charity conflicts with their loyalty to:

- their employer or workplace
- another charity of which they are a trustee
- a member of their family.

Such conflicts of loyalty will not stop anyone from being a trustee, but they can cause conflicts of interest, or perceived conflicts of interest.

Potential Conflicts of Interest

Conflicts of interest may arise in different forms. These can include:

- direct financial gain or benefit to the trustee, or to a related party (such as a spouse, partner, family member or similar) such as a payment for services provided to the charity
- award of a contract to another organisation in which a trustee or related party to them has an interest, and from which they or the related party will receive a financial benefit
- employment of a trustee or a related party by the charity, even when the trustee has resigned to take up the employment (in such cases, permission must be sought from the Charity Commission before any employment offer can be made)
- non-financial gain, such as when a user of the charity's services is also a trustee
- conflict of loyalties, such as where a friend of a trustee is employed by the charity.

Examples could include:

- being paid to undertake the Trustee role
- sell, loan or lease charity assets to a Trustee
- buy, borrow or lease charity assets from a Trustee
- buy goods or services from a business owned by the Trustee
- taking a decision related to a Trustee's employer, or another charity where they are a Trustee
- taking a decision related a relative or friend of a Trustee.

Such examples would still be a conflict even if the charity would get a good deal for its money.

Trustees have a duty to identify and manage any conflict of interest using the procedures in this policy.



Procedures for handling conflicts of interest

Identifying conflicts of interest

A request to declare conflicts of interest will be a standing item at the beginning of all Trustee meeting agendas.

As soon as a Trustee becomes aware of a conflict, actual or perceived, they must raise this with the rest of the Trustee board.

Some interests may not present a conflict straight away, but if the interest has the potential to cause a conflict of interest (such as joining a new employer as an employee, or becoming a Trustee of another charity), it should still be declared.

If you have a short-term interest or a conflict of interest, such as having a contract with a supplier for a single project and finding that supplier is also being considered by your board, you should declare that interest at the start of any meeting or discussion relating to the area of conflict.

Trustees should not ignore something that might be a conflict for you or another Trustee. Talk to the other Trustees if you're unsure.

Procedures once a conflict of interest has been identified

Once a conflict of interest has been identified, the Trustees must take action to stop the conflict from affecting their decisions. The action taken will depend on the situation, but the Trustees must decide based only on what is in the best interests of the charity.

As detailed in the charity's articles of association:

- Any Trustee with a conflict of interest will absent themselves from the part of the meeting discussing the matter in which they have a conflict of interest. Therefore they should declare the nature of the interest and withdraw from the room, unless the remaining Trustees agree otherwise.
- Any Trustee with a conflict of interest will not be able to vote on any matter relating to the conflict of interest, and will not count when considering whether a quorum of Trustees is present at the meeting.
- The remaining Trustees will decide any appropriate action to be taken regarding the conflict of interest.

In the case of a serious conflict (one affecting a majority of the Trustees, a conflict when there is only a single Trustee, or a conflict involving significant money or risk), the Trustees should consider removing the conflict, for example by changing plans, asking a conflicted Trustee to resign, or deciding not to appoint a conflicted person.

For other conflicts of interest, the Trustees must prevent it from affecting their decisions by managing it following the bullet points above.

Any declared conflicts of interest will be logged on a register of interests.