



Conflicts of Interest Policy

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01	Drafted
02	Trustees feedback

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Executive Summary

This document outlines the Conflict of Interest Policy for Trustee Board members and Senior Staff of the Friends of Broomfield Park (FoBP). The policy aims to manage and mitigate conflicts of interest to protect the integrity and reputation of FoBP.

Key Points:

1. **Definition and Importance:** A conflict of interest arises when a trustee's personal interests or loyalties may influence their decision-making. Managing these conflicts is crucial to maintain the charity's reputation and ensure decisions are made in the best interest of FoBP.
2. **Types of Conflicts:** Conflicts can be direct financial gains, indirect financial gains, non-financial gains, or conflicts of loyalties. Examples include payment for services, employment of a trustee's spouse, or a trustee being a user of the charity's services.
3. **Declaration of Interests:** Trustee Board members and Senior Staff are required to declare their interests and any gifts or hospitality received. This declaration must be updated annually and reviewed at the start of trustee meetings.
4. **Managing Conflicts:** If a conflict of interest is identified, the affected trustee must withdraw from discussions and decision-making processes related to that conflict. All decisions involving conflicts will be recorded and reported in the meeting minutes.
5. **Independent Moderation:** In cases where conflicts cannot be resolved through usual procedures, independent external moderation may be used.
6. **Monitoring Contracts:** Trustees with conflicts of interest must not be involved in managing or monitoring related contracts. Independent challenges and termination provisions are included in monitoring arrangements.

This policy applies to Trustees (and if applicable in future to Senior Staff).

Background

A conflict of interest is any situation in which a trustee's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect the trustee's decision making.

It is inevitable that conflicts of interest occur. The issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as trustee, or for a trustee 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.

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. This may include travel costs and the cost of providing care for a dependent whilst attending a trustee meeting or when undertaking trustee business. It may also include the cost of providing documents in Braille or on audio tape for a trustee who is blind, or providing special transport, equipment or facilities for any trustee with a disability

Benefits that are available to all, or that are of inconsequential or little measurable value, will not normally need to be authorised.

Trustee Board Members have an obligation to act in the best interests of FoBP and in accordance with the Governing Documents. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of FoBP.

How do I identify a conflict of interest?

Conflicts of interest may come in a number of different forms:

- direct financial gain or benefit to the trustee, such as:
 - payment to a trustee for services provided to the charity
 - the award of a contract to another organisation in which a trustee has an interest and from which a trustee will receive a financial benefit
 - the employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the employment
- indirect financial gain, such as employment by the charity of a spouse or partner of a trustee, where their finances are interdependent
- non-financial gain, such as when a user of the charity's services is also a trustee
- conflict of loyalties, such as where a trustee is appointed by the local authority or by one of the charity's funders, or where a friend of a trustee is employed by the charity

Such conflicts may create problems; they can:

- Inhibit free discussion;
- Result in decisions or actions that are not in the interests of FoBP
- Risk the impression that FoBP has acted improperly.

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 Trustee Board Members and senior staff to declare their interests, and any gifts or hospitality received in connection with their role in FoBP. 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 also when any changes occur. It should also be considered at the start of a trustee's meeting so that if a conflict of interest is identified in an item on the agenda it can be declared before the meeting starts. 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. Interests will be recorded on the governing body's register of interests, which will be maintained by the Company Secretary. The register will be accessible by board members of FoBP.

What to do if you face a conflict of interest

If you are a user of FoBP services, or the carer of someone who uses FoBP 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. The same applies if you face a conflict for any other reason. You may, however, participate in discussions from which you may indirectly benefit, for example where the benefits are universal to all users, or where your benefit is minimal.

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

Decisions taken where a board member or member of staff has an interest

In the event of the board having to decide upon a question in which a Board Member or member of staff has an interest, all decisions will be made by vote, with a simple majority required.

Interested board members may not vote on matters affecting their own interests. They may participate in the discussion but not the decision-making process i.e. they must leave the room if there is a vote.

All decisions under a conflict of interest will be recorded by 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.

A de minimis exemption applies to contracts less than £100 in value. Random checks against the register of interest will be made on the award of contracts below this value. If the cumulative value of a series of small contracts exceeds £200, the Board Member will operate the policy used for individual contracts.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures through an EGM or AGM.

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.

Common terms

Governing Document - means any document which sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, a constitution, memorandum and articles of association, rules, conveyance, will, Royal Charter, Scheme of the Commissioners or, in relation to an appeal, the published terms of the appeal inviting donations.

Trustees - means charity trustees. Charity trustees are the people who are responsible for the general control of the management of the administration of the charity. In the charity's governing document they may be called trustees, managing trustees, committee members, governors or directors, or they may be referred to by some other title.

Trustee board – means the charity's governing body. This may be called the management committee, executive committee or board of directors, or may be referred to by some other title.

Friends of Broomfield Park

Declaration Of Interests Form

Person or organisation	Nature of relationship and/or nature of conflict of interest

Name.....

Position

Signed

Date

NB Complete one form for each member of the committee and file with the minutes.