

Letchworth Garden City Heritage Foundation

Conflict of Interest Policy and Procedure

Applies to: Trustees and Governors (as specified)

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Purpose

This policy identifies what a conflict of interest is and how they are managed in the Heritage Foundation. It aims to ensure that the Heritage Foundation's Trustees can manage any such conflicts in carrying out their role.

The term Trustee is used throughout this policy. The same requirements will also apply to those Governors who are formally involved in the Foundation's governance process through their membership of a Committee, such as Grants Committee, HAC or the Housing Development Committee or any other such Working Group/Advisory body established by Trustees.

1. Definition

A conflict of interest arises for a Trustee where there is any situation in which their personal interests or their interests owed to another body run counter to those of the Foundation.

Conflicts of interest occur in those situations where an individual Trustee stands to gain directly or indirectly through engagement in activities which may potentially affect the Foundation adversely. It could also occur if that individual is engaged with an organisation which has aims or is pursuing an activity that is incompatible to those of the Foundation and its interests. The risk of managing the perception of a conflict of interest must equally be recognised and managed.

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

2. Acting solely in the best interests of the Foundation

Conflicts of interest can lead to decisions that are not in the best interests of the Foundation. Conflicts of interest can also damage the reputation, public trust and confidence in the Foundation and charities more generally. These harmful effects can be prevented where individual Trustees identify, declare and record conflicts of interest, and they and the Board acts to prevent them from influencing or being involved in decision making where any such conflict exists. This is the define, declare and withdraw approach.

2.1 Conflicts of interest usually arise where either:

- 2.1.1 there is a potential financial, professional or other measurable benefit directly to a trustee, or indirectly through a connected person. A connected person is one with whom the trustee has a relationship, professional or business interest; or
- 2.1.2 a Trustee's duty to the Foundation may compete with a duty or loyalty they owe to another organisation or person

Note that under the Foundation's Rules 9 to 16 Trustees can only receive benefit from the Foundation in the limited defined circumstances and on terms as specified. All items relevant to Rules 9 to 16 must be declared to the Chair of the Board before any agreement can come into force. When approved then all such benefits and contracts must be declared and reported in a Trustee's register of interest form.

2.2 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 Foundation could be influenced by his or her other interests.

For example, a Trustee's loyalty to the Foundation could conflict with his or her loyalty to

- 2.2.1 the body that appointed them to the Foundation, or nominated them as a Governor
- 2.2.2 another organisation, such as their employer or a client
- 2.2.3 another charity of which they are a trustee
- 2.2.4 a member of their family
- 2.2.5 another connected person or organisation with whom they may have a personal or business relationship

The test is that there is a conflict of interest if the Trustee's other interest could, or could be seen to, interfere with a Trustee's ability to decide the issue only in the best interests of the Foundation. It is essential that such interests are managed transparently to ensure Trustees always act solely in the best interests of the Foundation.

2.3 Identifying and Declaring conflicts of interest from affecting decision making

Although declaring and registering conflicts of interest is primarily the responsibility of the affected Trustee, the Board 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
- understand their personal duty to declare them and manage them accordingly
- withdraw from involvement in Board decisions where they are in anyway conflicted

2.4 Register and declaration of Interests of trustees

2.4.1 All Trustees must complete a Register of Interests on an annual basis in January and be alerted to reporting any changes and other possible conflicts of interest and advise the Chair as soon as they arise and subsequently notify the Company Secretary. The Governance Support Assistant will manage, update and maintain the registers.

2.4.2 The Chair and Chief Executive will identify items of potential conflicts of interest in advance of each Board meeting at Chair's papers and if appropriate from a precautionary perspective, will remove or redact any items and reports from circulation to Trustees where there is a registered conflict of interest. In this situation the Trustee will not be provided with this information and will not take part in any discussion or decision on the conflicted subject. The nature of the conflict will be reported to the Board to determine if the conflict is real and how it should be managed.

2.4.3 Furthermore, declaration of 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 before any discussion of the item itself. If a

Trustee is uncertain whether he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the rest of the Board.

2.4.4 If a Trustee is aware of an undeclared conflict of interest affecting another Trustee, they should notify the Chair.

2.4.5 A Trustee who has any financial interest in a matter under discussion, should declare the nature of their interest and withdraw from the meeting room. They cannot participate in any vote on this matter.

2.4.6 If a Trustee has any other interest which creates a risk or perception of bias, and which might reasonably cause others to think it could influence their decision, then they should declare the nature of the interest. They may voice an opinion, but cannot vote, subject to para 2.4.7 below.

2.4.7 Where a Trustee has an interest and declares it, but that interest has no financial benefit or interest, or does not create a perception of bias to influence their decision, they may with the agreement of the Board participate in the discussion and/or vote.

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

Note on the collective responsibility of Trustees.

If a Trustee has a conflict of interest and has withdrawn from any vote or decision made by the Board, they are still bound by that decision of the Board under their duties of collective responsibility.

2.5 Managing and recording conflicts of interest at Board meetings

A written record of any item or decision at which a conflict is declared must be minuted. Written records should 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:

- 2.5.1 the nature of the conflict
- 2.5.2 which Trustee or Trustees were affected?
- 2.5.3 whether any conflicts of interest were declared in advance
- 2.5.4 an outline of the discussion
- 2.5.5 whether anyone withdrew from the discussion
- 2.5.6 how the Trustees took the decision in the best interests of the Foundation

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

2.6 Further information for trustees

The Charity Commission provides guidance relevant to this policy:

- 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).

Letchworth Garden City Heritage Foundation

Register of interests form

Name	
Role	
Date completed	

Partner name	
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Employment and professional interests

Please record your, your partner's occupation and professional interests that may relate to the business and activities of the Foundation

Your employer/business or occupation	
Please list any wider professional interests e.g. directorships, shareholdings, partnerships or client relationships relevant to your role as a Trustee	
Please list wider charitable or public appointments/role highlighting any potential conflicts with the Foundation	
Please state membership of any professional or similar bodies	
Any other interest to declare	

Your partner's employer/business or occupation	
Please list wider professional interests	
Please list wider charitable or public appointments/role	
Please state membership of any professional or similar bodies	
Any other interest to declare	

Please tell us if any of your children or close relative have interests that may relate to the Foundation and we will ask you to provide further details.

Property ownership

Please list all property owned or leased in Letchworth Garden City

Address	Status - Owner/tenant/other	

Rule 9-16

Please read Benefits and Payments to Trustees

[Rules LGCHF Feb 2022.pdf \(letchworth.com\)](#)

Signed:

Dated: