

Title	Conflict of Interests Policy for Trustees
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## **Conflicts of Interest Policy**

### **Organisational Values**

Durham Wildlife Trust (DWT) approaches everything it does with the following set of values:-

- Trust
- Respect
- Responsibility
- Integrity
- Courage

We aim to establish common cause with others, to develop trusting relationships and build lasting partnerships based on mutual respect and shared responsibility. We expect all staff, Trustees, contractors and volunteers to adhere to behaviours that are in line with our organisational values and beliefs.

### **Purpose and scope**

DWT is committed to the highest standards of charity governance and operations. Trustees have a duty under common law to act in the best interests of the charities they serve. Trustees, generally, should not benefit from the charity and should not be influenced by their wider interests when making decisions affecting the charity.

The purpose of this policy is to:

- Provide guidance on how to recognise and manage perceived and real conflicts of interest amongst members of the trustee board.
- Set out the process for identifying and managing conflicts of interests

Whilst this policy refers to trustees, as the individuals with overall responsibility and accountability for DWT and possessing legal obligations around conflicts of interest, the same principles and practice of openness and transparency around managing interests apply to Committee members, who sometimes have delegated authority from the Board. As they are chaired by trustees, it is expected that all committee members adhere to this policy.

DWT staff similarly have responsibility to manage conflicts of interest in a transparent way. The Staff Handbook sets out practices for staff interests and benefits, which are in accordance with this policy.

### **Definitions**

#### **What is a conflict of interest?**

A conflict of interest can be defined as -

“...any situation in which a trustee’s personal interests or responsibilities they owe to another body, may, or may appear to, influence the trustee’s decision making.”

Conflicts of interest arise when the interests of trustees, or “connected persons”<sup>1</sup> are incompatible or in competition with the interests of the charity. Such situations present a risk that trustees will make decisions based on these external influences, rather than the best interests of the charity.

The most common types of conflict include:

- Direct financial interest - when a trustee obtains a direct financial benefit via:
  - the payment of a salary to a trustee by the charity;
  - the award of a contract to a company with which a trustee is involved;
  - the sale of property at below market value to a trustee.
- Indirect financial interest - this arises when a close relative of a trustee benefits from the charity by:
  - the awarding of an employment contract to a trustee’s spouse, partner or relative;
  - making a grant to a trustee’s spouse, partner or relative, or an organisation in which they work.
- Non-financial or personal conflicts – occur where trustees receive no financial benefit, but are influenced by external factors, such as:
  - influencing board decisions on delivery or policy positions to their own advantage;
  - gaining some other intangible benefit, advantage or kudos by association;
  - awarding contracts to friends.
- Conflicts of loyalties - trustees may have competing loyalties between the charity to which they owe a primary duty and some other person or entity.
- Associated conflict -there are also occasions where the trustee’s association with another organisation, body or person might:
  - expose DWT (or the wider Wildlife Trust movement) to reputational risks, such as judgements about the political views or policy position of DWT;
  - cause significant distraction from DWT’s core messages and public engagement, policy and campaigning activity.

It is, therefore, essential that all trustees are fully aware of their duties and responsibilities and that when acting as a trustee they must act in the best interests of the charity alone. The interests of the beneficiaries and those of the charity will, for

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<sup>1</sup> s.188 Charities Act 2011 defines a “connected” person as:

- a) a child, parent, grandchild, grandparent, brother or sister of a trustee;
- b) spouse or civil partner of trustee, or of (a) above;
- c) business partner of trustee or (a) or (b);
- d) institution controlled i) by trustee or (a), (b), or (c) above or ii) by two or more persons falling within i) when taken together ;
- e) a body corporate which i) the trustee or connected person in (a) to (c) has a substantial interest or, ii) two or more persons falling within i) when taken together have a substantial interest.

the most part, be consistent or complementary, but on the occasions where a conflict does arise, the responsibility of all the trustees is to the charity. This includes any access that all trustees may gain to confidential or privileged information by virtue of their trusteeship. All trustees should remain alert to the fact that whatever information they acquire in their role should remain confidential and not be used to the advantage of themselves, an external individual, or entity.

### **What this means in practice for DWT trustees**

Trustees face further complications if they are Trustees of more than one charity. This gives rise to further potential conflicts between the separate interests of the charities, particularly if they operate in the same sector.

It is expected that where a Trustee has a conflict with any other interest, for example a personal interest or that of another charity or any other body, they shall resolve that conflict in favour of DWT.

In practice, the other charities or bodies are likely to have placed an equivalent duty on their trustees and the individual involved may have to consider their position at one or more of the organisations involved.

### **Principles**

#### Declaring conflicts of interest

A key means of preventing conflicts of interest from affecting decision-making is to identify potential conflicts in advance. This gives trustees time to consider the implications and to respond appropriately.

- It shall be standard practice to ask for any such declarations at the start of each trustee meeting.
- DWT maintain a record of declared conflicts of interest, with trustees asked to submitting a completed declarations of interest form on an annual basis. The Conflict of Interest policy is also shared with trustees on an annual basis.
- Whilst trustees shall be transparent about their conflicts and interests, there may be an occasion where conflicts or interests need to be kept confidential e.g. for reasons such as safeguarding. In such an event the trustee shall share this with the Chair, the information recorded in such a way as to maintain confidentiality and shall not be made available to other trustees or the public. The Chair will review the conflict with the trustee and its implications for this policy.
- Trustees standing for election will be provided with a copy of the conflicts of interest policy before appointment. If the potential trustee is concerned about a possible conflict of interest, they should view the policy and discuss the matter with the Chair before agreeing to take up the position.

### **Managing conflicts**

The majority of trustees are likely to have a multiplicity of interests, personal, domestic and professional that may, on occasion, compete, or be perceived to compete, with those of the charity. It is therefore almost impossible to avoid conflicts altogether. However, DWT shall strive to manage conflicts in a consistent and transparent way.

- In meetings of the DWT Board and committees, Trustees must act exclusively in the best interests of DWT, although they may properly bring their knowledge of other organisations, sectors or other roles they fulfil to inform DWT's debate and decision-making.
- If the actual, perceived or potential conflict of interest relates to one single item and is deemed by trustees to be manageable, the Chair will ask that trustee to withdraw from the meeting, refrain from participating in debate and abstain from voting in relation to that single item.
- Whilst all Board papers and their contents should be treated confidentially by trustees, the Chair shall work with relevant colleagues (other Board members and senior management) to assess whether any papers be withheld from the trustee who has declared a conflict. Where this is the case, the withholding of the paper shall be clearly communicated to other trustees.
- Should a conflict be deemed to be more broadly concerning the trustee's relationship with the charity, such as being at direct odds or competition with, contradict, or potentially undermine or distract from, Durham Wildlife Trusts' mission, policy position, political neutrality, position statements or campaigning activity, the Board shall ask the trustee in question to stand down from Board. They may be invited to stand for re-election as a trustee should there be a change in their circumstances deeming the conflict no longer applicable.

### **Reporting on conflicts**

All decisions under a conflict of interest will be 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.

Where there is a significant conflict this will be reported in the annual report and accounts in accordance with the current Charities SORP. All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

If a trustee believes conflicts of interest are not being managed effectively and the Board is unable to make decisions free from influence, they are encouraged to report this to the Chair. Where the trustee feels they are unable to report this to the Chair (such as potentially the chair having the conflict) then the trustee is encouraged to report this in accordance with the whistleblowing policy.

### **Responsibilities**

Trustees are responsible for:

- upholding the spirit of this policy to ensure good governance and transparency and to allow for effective decision making;
- declaring their interests in an accurate and timely manner; and
- acting on conflicts of interest in accordance with this policy.

The Chair is responsible for:

- reviewing declarations of interests and highlighting concerns or proposals to

- manage such interests to Board;
- ensuring all incoming and existing trustees are familiar with this policy; and
- ensuring that an annual declaration of interest is made by each Trustee and reporting on these to Board.

**This policy also needs to be read in conjunction with our policies and procedures on:**

- Whistleblowing
- Anti Bribery and Corruption

**Additional points of clarification**

Trustees standing for public service

Where a trustee is standing for public service, fellow trustees must assess the impact of such an activity and where it may be deemed a conflict or a perceived conflict. Normally the trustee shall be asked to stand down during the election period of any election for office in an election that has a national profile, such as standing as a parliamentary candidate. Where the election may be specific to one area and not of national impact, such as local authority elections, trustees may take a view for the trustee to remain on board during the campaigning period, depending on a proper assessment of the conflict and risks to DWT.

**Annex 1 Declaration of Interest Form**

Please complete the form fully giving details of membership of your involvement with private sector companies, public bodies, consultants and voluntary, charitable or philanthropic organisations.

You should include directorships and shareholding in commercial companies. Please continue overleaf if required.

1. Self: (please tick twice (✓✓) for current active involvement and once (✓) for recent active involvement which discontinued in the past five years.

Name of Organisation/Person	Honorary Officer	Subscribing Member	Other (please specify)

2. Immediate family (spouse/partner, children and parents) (please tick twice (✓✓) for major current involvement

Name of Organisation/Person	Honorary Officer	Subscribing Member	Other (please specify)

**3. Declaration**

I declare that the information above is an accurate reflection of my membership or involvement with organisations or persons.

Signed ..... Date

Name (please print)

Annex 2 (insert current Register of Interest)