

## The Harmony Project – Conflict of Interests Policy

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<b>Signed by the Director</b>	<i>Richard Dunne</i>
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<b>Reviewed by and on</b>	
<b>Signed by the Director</b>	

### 1 PURPOSE

1.1 The purpose of this policy is to ensure transparency and the open and proper management of any particular conflict of interest or conflict of loyalty (as explained below), and in so doing to protect the Charity and ensure compliance with Charity Commission Guidance in this regard. It should be read in conjunction with the **Register of Interests** and the **Declaration of Interests Form**.

### 2 WHY WE HAVE A POLICY

2.1 The Trustees have a legal duty to act in the best interests of the Charity and owe general duties to the Charity arising under charity law in their capacity as charity trustees and under company law in their capacity as directors. Many of the charity law and company law duties overlap, including the duty to avoid (or deal appropriately with) conflicts of interest.

2.2 The Charity Commission considers it essential for good governance for charity trustees to implement a conflicts policy. The Charity Commission’s guidance for charity trustees on conflicts is available on its website at:

[Conflicts of interest: a guide for charity trustees - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/conflicts-of-interest-a-guide-for-charity-trustees)

- 2.3 Conflicts can create difficulties in that they can:
- 2.3.1 inhibit free discussion of issues affecting the Charity;
  - 2.3.2 result in decisions or actions taken which are not in the best interests of the Charity;  
or
  - 2.3.3 risk giving the impression that the Charity or one or more Trustees may have acted improperly.
- 2.4 If and when any conflict of interest arises, the issue is not the integrity of the person concerned, but ensuring the appropriate action is taken so that the conflict does not affect the decision-making process.
- 2.5 The procedures in this policy will enable the Trustees to identify and manage conflicts of interest so that they can ensure that conflicts do not prevent them from making decisions in the best interest of the Charity. The policy will also help protect both the Charity and the Trustees from any appearance of impropriety in cases where conflicts of interest arise.

### 3 IDENTIFYING CONFLICTS OF INTEREST

- 3.1 A conflict of interest is any situation in which a Trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the Charity. There are two types of conflicts:
- 3.1.1 Conflicts may arise where a Trustee (or a person connected to them) stands to obtain a benefit from the Charity; and
  - 3.1.2 Conflicts of loyalty may arise where a Trustee's loyalty or duty to another person or organisation could prevent the Trustee from making a decision only in the best interests of the Charity.
- 3.2 Examples of conflicts of interest include:
- 3.2.1 where it is proposed that a Trustee (or a person 'connected' to a Trustee) be paid for providing a service or goods to the Charity;
  - 3.2.2 when a Trustee has personal sense of loyalty to another organisation or person that conflicts with their loyalty to the Charity;
  - 3.2.3 a transaction between the Charity and another charity where a Trustee is a director (or charity trustee) of both entities, and the transaction results in the Charity receiving a substantial asset from, or transferring a liability to, the other entity.

#### 4 INTERESTS TO BE DECLARED

- 4.1 On appointment, each Trustee shall complete a Declaration of Interests form:
- 4.1.1 listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests;
  - 4.1.2 listing any interests of persons connected to them that may potentially give rise to a conflict of interest;
  - 4.1.3 declaring any gifts or hospitality with a value over £50 received or offered to them in their capacity as a Trustee;
  - 4.1.4 confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
  - 4.1.5 confirming that they will update the form annually, or sooner if any changes occur; and
  - 4.1.6 confirming that they will declare any conflict that arises in the future.
- 4.2 The information provided by Trustees shall be recorded in a Register of Interests (the **Register**). At least once in every 12-month period, each Trustee must review the information relating to them contained in the Register and declare that the information is correct or make a further declaration if necessary.
- 4.3 The Register will be open to inspection by the Trustees and others as required to ensure that the Company is compliant with good governance principles.
- 4.4 If a Trustee is not sure what to declare, or whether/when their declaration needs to be updated, they should err on the side of caution and, if in doubt, seek clarification from the Head of Operations.
- 4.5 Each Trustee must promptly notify the Head of Operations of any changes to their Declaration of Interests either in writing when they arise or at the next meeting of the Trustees as applicable. The amended Register will be circulated at the meeting following notification.
- 4.6 The contents of the current Register will be taken as read at each meeting. This represents general notice of notified interests but specific conflicts arising should still be declared at meetings where relevant to the matters to be considered.

## **5 DEALING WITH CONFLICTS AT MEETINGS OF THE TRUSTEES**

- 5.1 The first item on the agenda of each Trustees' meeting will be a standing item requiring all Trustees attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting
- 5.2 Where a Trustee has a conflict of interest (including any conflict of loyalty) in relation to any matter to be considered at a meeting (whether or not disclosed in the Register), they must declare it to the meeting at the earliest opportunity. Any such conflict shall be recorded in the minutes of the meeting. In such a case, that Trustee shall leave the meeting whilst the matter is under discussion and shall not vote on that matter and will not be counted as being present for the purpose of the quorum.
- 5.3 If a Trustee fails to declare an interest that is known to the Chair of the meeting or another Trustee or a member of the executive team present at the meeting, the Chair, Trustee or member of the executive team (as the case may be) has an obligation to declare that interest on their behalf.
- 5.4 The secretary of the meeting shall record in the minutes the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict/potential conflict.

## **6 BENEFITS TO TRUSTEES**

- 6.1 Trustees are prohibited by law from receiving any benefit from any arrangement with the Charity unless they have been given express legal authority to do so. Benefit includes any property, goods or services which have a monetary value, as well as money. Article 7 of the Charity's Articles of Association set out the circumstances in which Trustees are permitted to receive a benefit from the Charity.
- 6.2 If such Articles do not contain the necessary authority, then the Trustees may apply to the Charity Commission for the necessary authority to provide a benefit to a Trustee.
- 6.3 If at any time the Chair is in any doubt about whether the Articles of Association contain sufficient authority, professional advice should be sought.
- 6.4 If any benefit is authorised, the Trustees must also ensure that the Charity has adequate procedures in place to manage the conflict of interest arising once the benefit has been authorised.
- 6.5 Any benefits received by a Trustee or connected person must be reported in the Charity's Annual Report and Accounts in accordance with the Charities SORP.

## **7 MANAGING CONTRACTS**

- 7.1 A Trustee must not be involved in managing or monitoring a contract in relation to which they have a conflict of interest or a conflict of loyalty.

## **8 DECLARATION OF INTERESTS BY PROSPECTIVE TRUSTEES**

- 8.1 Before a prospective Trustee is appointed, they must be asked to declare any direct or indirect interests they have that might give rise to a conflict of interests.
- 8.2 If the Trustees consider it likely that the prospective Trustee will be subject to serious or frequent conflicts of interest, the Trustees should consider whether it is appropriate to proceed with the appointment.

## **9 DATA PROTECTION**

- 9.1 The information included on the Register and on the Declaration of Interests Form is personal data and will be processed in accordance with data protection principles as set out in the General Data Protection Regulation (EU) 2016/679 (GDPR) read in conjunction with, and subject to, the Data Protection Act 2018 and any other applicable UK national legislation that provides for specifications or restrictions of the GDPR rules or from the date of implementation, any applicable legislation that supersedes or replaces GDPR in the UK. Information will be processed only to ensure that Trustees act in the best interests of the Charity. Information will not be processed for any other purpose.

## **10 REVIEW**

- 10.1 The Trustees will review this policy every three years.

## APPENDIX 1

### Definition of “connected person” under the Charities Act 2011

In accordance with the definition of a “connected person” set out in the Charities Act 2011 the following persons are “connected” with a relevant person:

- (a) A child, parent, grandchild, grandparent, brother or sister of that person.
- (b) The spouse or civil partner of that person or of any person falling within paragraph (a).
- (c) A person carrying on business in partnership with such a person or with any person falling within paragraph (a) or (b).
- (d) An institution which is controlled:
  - (i) by a relevant person or by any person falling within paragraphs (a), (b) or (c); or
  - (ii) by two or more persons falling within paragraph (d)(i) when taken together.
- (e) A body corporate in which
  - (i) a relevant person or any connected person falling within any of paragraphs (a) to (c) has a substantial interest; or
  - (ii) two or more persons falling within sub paragraph (e)(i), when taken together have a substantial interest.

For these purposes a person living with another as that person’s partner should be treated as that person’s spouse.