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CONFLICT OF INTEREST POLICY

Approved by SHCA Board 7th May 2019

Review Date: May 2022

Charity No. 1011659

Company No. 2695822



Author(s)	Policy Review Group – Board of Trustees
Version	2.0
Version Date	May 2019
Implementation/Approval Date	May 2019
Review Date	May 2022
Review Body	SHCA Board
Policy Reference Number	

Contents Page

1.0 Summary..... 4

2.0 Introduction and Objectives 4

3.0 Scope..... 4

4.0 Definitions 4

5.0 Procedures..... 5

6.0 Training and Awareness 7

1.0 Summary

Shrewsbury House Community Association (SHCA) is committed to high standards of ethical conduct and therefore places great importance on its decision makers declaring any existing or potential conflict of interest.

2.0 Introduction and Objectives

The purpose of this policy is to provide guidance to the organisation about promptly and properly managing actual or perceived conflicts of interest.

3.0 Scope

This policy applies to all Board members and employed staff at Shrewsbury House Community Association.

4.0 Definition

A conflict of interest is:

A conflict between the private interests and the official responsibilities of a person in a position of trust

A set of conditions in which a professional judgement concerning a primary interest tends to be unduly influenced by a secondary interest [such as financial gain]

The creation of a set of circumstances where one party is favoured over another by an inadvertent preferential interest

A conflict of interest means situations where:

A member of the Board of Trustees, a staff member of the Centre who is in a formal position of influence over a matter where they (or someone closely associated to them (e.g. a spouse, child, organisation or business partner), will, or might expect to receive (or suffer), a direct or indirect financial or other benefit (or loss) by influencing a decision to go a certain way.

Examples of conflict include:

- When a Board member or a member of his/her immediate family or business partner stand to gain financially from any business dealings with the Centre
- When a Board member offers a professional service at a charge to the Centre
- When a Board member stands to gain personally or professionally from any insider knowledge, if that knowledge is used to personal advantage
- Where a Board member or staff member has a role on the governing body of another organisation, where the activities of that other body may be in

direct conflict or competition with the activities of the Centre.

A conflict of interest situation arises when a person's duty to the organisation clashes with their duties, obligations or interests elsewhere. Board members and staff may have a range of other personal and professional interests and relationships, so the Centre understands that inevitably there will be real, potential or perceived conflicts of interest.

Failing to properly and promptly deal with a known conflict of interest may not always be illegal, but, in the Centre's view, will almost always be unethical so we take the approach that prevention is always better than cure. Conflicts of Interest can cause significant reputational damage.

The first duty of a Board member is to act in the interests of the Centre. This means that Board members must not allow their personal interests, or those of anyone else, to override the best interests of the organisation. This includes Board members who have been elected or appointed as the representative of another group, organisation or Board.

Board members expect that staff will also act in the best interests of the Centre, and where they experience an actual or potential conflict of interest that they will deal properly and promptly with the situation.

5.0 Procedures

Upon appointment each trustee will make a full, written disclosure of interests, such as relationships, and posts held that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated as appropriate.

Board Members

If a Board Member has a conflict of interest in a matter being considered by the Board they must:

1. As soon as reasonably practicable disclose the conflict to the Board of Trustees and provide information about the interest and how it may conflict with their role on the Board
2. If they know in advance of the matter, ask not to be sent to any Board or other internal papers that discuss the matter
3. Avoid any informal discussions that might influence other Board members on the matter
4. Not take any part in Board discussions concerning the matter
5. If the matter is raised during any meeting, make their declaration and ask that their declaration and departure from the Board meeting room be recorded in the minutes
6. It may be best that the Board member leaves the vicinity of the discussion and is recalled when a decision has been reached.
7. Not vote or issue a proxy vote in relation to the matter.
8. All conflicts of interest will be reviewed by the Board and a Conflict of Interest Register is maintained and updated at each full Board Meeting of Trustees.
9. The Chair acts as a *Conflict of Interest Guardian* and can advise Board

members or members of staff if they believe they may have a conflict of interest.

After speaking with the Chairperson, Board members should seek specialist or legal advice if they are still in doubt about how to handle a real or potential conflict of interest.

Staff

If a staff member has a conflict of interest in matter they must:

1. As soon as reasonably practicable disclose the conflict to the Centre Manager
2. Ask for directions from the Centre Manager about how to manage the situation
3. Avoid any discussion or action which might influence other decision makers on the matter.
4. The Centre Manager must bring any conflicts of interest raised to the Chair. These will be discussed at the Board meeting and entered on the conflict of interest register if judged to be a potential or actual conflict of interest.

Perception of Conflict of Interest

It is not possible to outline precise guidelines or rules to assess potential conflict of interest situations, but the following test should be applied to help a person decide whether or not there may be a perception of a conflict of interest.

The person should ask themselves “*Would an impartial, fair minded person (who knew nothing about my character or reputation) form a reasonable opinion that my possible interest in the matter before considered could influence the manner in which I participate in the debate and/or vote on the matter?*” If the answer is “yes” or “probably”, it is recommended that the person declare and withdraw.

A Board member or staff member must declare potential conflicts of interest as soon as they become aware that it is *reasonably foreseeable* that the *possibility or perception of a conflict of interest* may occur.

The Register of interests

The Chairperson asks all Board Members and the Centre Manager to declare any Conflict of Interest at the outset of each Full Board Meeting. Any conflict of interest will be entered on to the register of interests. SHCA Trustees and employed staff are required to declare their relevant interests.

These should include:

- Any other voluntary and community organisation with which they work, volunteer or sit on the board,
- Their current employment (if any),
- Any stake in a private company that SHCA may engage,
- Any representative positions they hold on public sector (e.g. NHS/Council) boards

6.0 Training & Awareness:

Board Trustees and Staff will participate in Conflict Of Interest training as part of the overall training schedule planned for Board Trustees and as identified through Staff Appraisal. It is recommended that COI training takes place every 3 years.

Date Policy approved by Board:

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Signature of Chair:

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