

Activity Alliance

Conflict and declaration of interest policy

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Purpose

This policy identifies what a conflict of interest is, explains the importance of declaring conflicts and how to ensure that Activity Alliance (referred to as the Charity) employees, Trustees, volunteers and other stakeholders do not experience any such conflicts. The policy is followed by procedures on how to implement this.

Definition

A conflict of interest is any situation in which the personal interests or interests owed to another body, of an employee, Trustee, volunteer, or other stakeholder run counter to those of Activity Alliance.

Conflicts of interest occur in those situations where an individual employee, Trustee, volunteer, or other stakeholder stands to gain directly or indirectly through engagement in activities which may potentially affect the Charity adversely. It will also occur if that individual is engaged with an organisation which has aims incompatible to those of the Charity's.

Responsibilities

Activity Alliance employees, Trustees, volunteers and other stakeholders must ensure that:

- they read this policy
- if unsure whether something constitutes a conflict of interest, they speak to their line manager or Chair of the Board.
- they make a declaration when they have become aware of an interest which may represent or be perceived to represent a conflict relevant to their role, at the earliest opportunity.
- private interests, whether these are of a personal, financial or commercial nature, do not impact adversely upon the ability to undertake their official duties responsibly.
- they do not put themselves in a position where actions can reasonably be perceived to be open to improper influence.
- they maintain integrity and professionalism when undertaking their roles, acting in Activity Alliance best interest at all times.
- as soon as a declaration has been made or recognised, the responsible manager/Chair of the Board must ensure that they review the declaration to determine if a conflict of interest has taken place.

Trustees

Conflicts of interest can lead to decisions that are not in the best interests of the charity and which are invalid or open to challenge. Conflicts of interest can also damage the Charity's reputation or public trust and confidence in charities generally. These harmful effects can be prevented where individual Trustees can identify conflicts of interest, and the Board can act to prevent them from affecting their decision making. All Trustees have a legal duty to act only in the best interests of their charity.

Conflicts of interest usually arise where either:

- there is a potential financial or measurable benefit directly to a Trustee, or indirectly through a connected person.
- a Trustee's duty to the charity may compete with a duty or loyalty they owe to another organisation or person.

In practice this means that Trustees cannot receive any benefit from the Charity in return for the service they provide to the Charity, unless they have express legal authority to do so.

The Charity Commission identifies examples that any of the following may amount to a potential conflict of interest:

benefits to Trustees are where the Trustees decide to:

- sell, loan or lease charity assets to a charity Trustee
- acquire, borrow or lease assets from a Trustee for the charity
- pay a Trustee for carrying out their Trustee role
- pay a Trustee for carrying out a separate paid post within the charity, even if that Trustee has recently resigned as a Trustee
- pay a Trustee for carrying out a separate paid post as a director or employee of the charity's subsidiary trading company
- pay a Trustee, or a person or company closely connected to a Trustee, for providing a service to the charity
- employ a Trustee's spouse or other close relative at the charity (or at the charity's subsidiary trading company)
- make a grant to a service user Trustee, or a service user who is a close relative of a Trustee
- allow a service user Trustee to influence service provision to their exclusive advantage

Conflicts of loyalty arise because, although the affected Trustee does not stand to gain any benefit, the Trustee's decision making at the charity could be influenced by their other interests. For example, a Trustee's loyalty to the charity could conflict with their loyalty to the body that appointed them to the charity the membership or section of the charity that appointed them to Trusteeship another organisation, such as their employer another charity of which they are a Trustee a member of their family another connected person or organisation

The test is always that there is a conflict of interest if the Trustee's other interest could, or could be seen to, interfere with the Trustee's ability to decide the issue only in the best interests of the charity.

Identifying and Declaring conflicts of interest from affecting decision making

Although declaring 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 and understand their personal duty to declare them.

Register of Interests of Trustees

All Trustees should complete a Declaration of Conflict of Interests on an annual basis and be alert to any other possible conflicts of interest and advise the Chair as soon as they arise. Trustees are asked to contact the Chair of Activity Alliance Board should they be are uncertain about what constitutes a conflict of interest.

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 certainly before any discussion of the item itself.

If a Trustee is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other Trustees.

If a Trustee is aware of an undeclared conflict of interest affecting another Trustee, they should notify the other Trustees or the chair.

Any Trustee who has a financial interest in a matter under discussion, should declare the nature of their interest and withdraw from the room, unless they have a dispensation to speak.

If a Trustee has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if they wish.

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

Record the conflict of interest

Where there is a conflict of interest, the Trustees should ensure that the written record of the decision shows:

- the nature of the conflict
- which Trustee or Trustees were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the Trustees took the decision in the best interests of the charity

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

Staff and Volunteers

Staff and volunteers need to be mindful of potential conflicts of interest. These can occur if people use their position with the Charity to:

- further their own financial interests e.g. by taking on private work with a client
- benefit a third party with whom they are associated e.g. recommend a tradesperson to whom they are related
- discriminate against a service user due to their political or religious views or allegiances
- unfairly benefit a service user to whom they are related e.g. by applying a reduced charge for a service

OR

- are involved with groups whose values are in conflict with those of the Charity.

This list is not intended to be exclusive but is indicative of the kind of issues that can arise.

Staff and volunteers who have an interest that potentially could be in conflict with their position with the Charity should bring it to the attention of their line manager who will pass it onto the Executive consideration. Senior managers with a potential conflict of interest should consult with the CEO and in similar circumstances the CEO should consult with the Chair of Trustees.

Most conflicts of interest can be successfully managed if they are known and out in the open. Staff and volunteers interests outside of their role with the Charity, providing they are transparent, should not necessarily prevent them from continuing in that role.

Where it is deemed that a member of employees or volunteer acted in their own interests to the potential detriment of others or the Charity disciplinary action might be taken.

Record the conflict of interest

A written record of reported conflicts of interest is to be maintained in a register. This is to document any conflicts of interest and how the SMT/Exec have dealt with them:

- the nature of the conflict
- The person(s) affected
- how the management took the decision in the best interests of the charity

Complaints about Activity Alliance Services or Products

Activity Alliance has a clear conflict of interest if they are asked to help a person complain about Activity Alliance member of employees, Trustee, volunteer, product or service. The person should be signposted to the Activity Alliance complaints procedure, and the need to look elsewhere for a third-party advice in pursuing the complaint.

Review of the policy

This policy was approved by the Board in January 2025. This policy will be reviewed annually.