

Conflict of Interest Policy

1. Purpose

The purpose of this policy is to ensure that the trustees of Leasowe Community Centre Trust make decisions solely in the best interests of the charity and the community it serves.

Trustees may have personal, family, professional, financial or community connections with people and organisations that have dealings with the charity. These connections do not automatically create a problem, but they can create a conflict of interest.

This policy explains the two main types of conflict that trustees need to understand:

1. Financial conflicts of interest
2. Conflicts of loyalty

It also explains how trustees must declare and manage these conflicts.

2. What is a conflict of interest?

A conflict of interest occurs when a trustee has another interest, relationship or responsibility that could affect, or could reasonably be seen to affect, their ability to make a decision solely in the best interests of Leasowe Community Centre Trust.

Having a conflict does not mean that a trustee has done anything wrong.

Conflicts are particularly common in community organisations because trustees often have strong connections with local residents, community groups, businesses and other organisations.

The important requirement is that conflicts are identified, declared, properly managed, and recorded where appropriate.

The basic rule for trustees is:

“If in doubt, declare the interest.”

3. The Two Main Types of Conflict

The two main types of conflict covered by this policy are financial conflicts of interest and conflicts of loyalty.

3.1 Financial Conflict of Interest

A financial conflict of interest occurs when a trustee, or someone closely connected to them, could personally benefit financially from a decision made by Leasowe Community Centre Trust.

This could involve money, property, employment, contracts, goods, services or another financial benefit.

A financial conflict must be declared even where the trustee believes that they can remain impartial.

3.2 Conflict of Loyalty

A conflict of loyalty occurs when a trustee has a loyalty, responsibility or personal connection to another person or organisation that could influence, or could reasonably be seen to influence, the trustee's decision for Leasowe Community Centre Trust.

Unlike a financial conflict, a conflict of loyalty does not necessarily involve any financial benefit.

A conflict of loyalty can arise from involvement with another charity, community group or organisation, a close personal or family relationship, a professional relationship, or responsibilities to another organisation or individual.

A trustee may therefore have a conflict of loyalty even where they have nothing to gain personally.

4. The Difference Between the Two Types of Conflict

Financial conflict: The trustee, or someone connected to them, could receive a financial or material benefit from the charity's decision.

Conflict of loyalty: The trustee has a loyalty, relationship or responsibility to another person or organisation that could affect, or appear to affect, their judgement.

Both types of conflict must be taken seriously and properly managed.

A conflict of loyalty should not be ignored simply because there is no financial benefit.

5. Actual, Potential and Perceived Conflicts

A conflict may be:

Actual conflict – There is a real conflict between the trustee's interests and the interests of the charity.

Potential conflict – A conflict does not currently exist but could arise because of a developing situation.

Perceived conflict – A reasonable person could believe that the trustee's personal interests or loyalties might influence their decision, even if the trustee believes they can remain impartial.

Trustees should declare all relevant actual, potential and perceived conflicts.

6. Trustees' Responsibilities

Every trustee has a responsibility to act in the best interests of Leasowe Community Centre Trust.

Trustees must:

- act in accordance with the charity's governing document;
- act in the interests of the charity;
- declare financial conflicts and conflicts of loyalty;
- not use their trustee position for personal advantage;
- not use confidential charity information for personal benefit or for the benefit of another organisation;
- not allow personal relationships or outside interests to improperly influence charity decisions; and
- follow the Board's decision about how a conflict should be managed.

Trustees should always consider whether their involvement in a decision could compromise, or appear to compromise, the charity's independence and reputation.

7. Register of Trustees' Interests

Leasowe Community Centre Trust will maintain a Register of Trustees' Interests.

Each trustee must provide details of relevant interests when they are appointed and must update their declaration whenever their circumstances change.

The Register should be reviewed at least annually.

Trustees should declare relevant financial and business interests, employment, directorships, trusteeships or committee positions in other organisations, involvement with other charities and community groups, relevant family interests, close personal relationships, property interests, and other interests that could reasonably give rise to a conflict.

The Register does not replace the requirement to declare a conflict at a trustee meeting.

8. Declaring a Conflict at a Meeting

At the beginning of each trustee meeting, the Chair should ask:

"Does any trustee have a financial conflict of interest or conflict of loyalty in relation to any item on today's agenda?"

A trustee must declare any relevant conflict.

- The declaration should be recorded in the minutes.
- The Chair should then decide, with the Board where appropriate, how the conflict will be managed.
- Where the Chair has a conflict, another trustee should manage the matter.

9. Managing a Conflict

Depending on the circumstances, the Board may decide that a trustee:

- may remain in the meeting but should not participate in the discussion;
- may provide factual information but should not influence the decision;
- should leave the meeting while the matter is discussed;
- should not vote;
- should not participate in negotiations;
- should not have access to particular confidential information; or
- should take no further part in the matter.

The action taken should be proportionate to the nature and seriousness of the conflict.

The aim is to ensure that the decision is made solely in the best interests of Leasowe Community Centre Trust.

10. Financial Conflicts – Additional Safeguards

Where a financial conflict exists, the Board should take particular care to ensure that the charity's interests are protected and that the decision is transparent.

Where appropriate, the Board should:

- obtain appropriate quotations or other evidence of value;
- assess options objectively;
- ensure that the conflicted trustee takes no improper part in the decision;
- record the decision and reasons in the minutes;
- ensure that any payment or benefit is properly authorised; and
- obtain independent advice where necessary.

A trustee must not use their position to secure work, contracts or other financial benefits for themselves or a connected person.

11. Conflicts of Loyalty – Additional Safeguards

Where a conflict of loyalty exists, the trustee must be open about their connection to the other person or organisation.

The Board should consider whether the trustee can provide factual information, should remain for the discussion, should leave the meeting, should not vote, or should take no further part in the decision.

The fact that there is no financial benefit does not mean that the conflict can be ignored.

12. Trustee Benefits and Payments

Trustees must not use their position to obtain unauthorised financial or other benefits.

This includes benefits for themselves, their family, their business, or another organisation with which they are connected.

Where a trustee or a person connected with them is to receive payment or another benefit from Leasowe Community Centre Trust, the Board must ensure that the arrangement is permitted by the charity's governing document and applicable charity law.

The arrangement must be properly authorised and managed.

13. Gifts and Hospitality

Trustees should not accept gifts, hospitality or other benefits that could influence, or appear to influence, their judgement on behalf of Leasowe Community Centre Trust.

Small and reasonable gifts may be acceptable where they are customary and do not create an obligation.

Significant gifts or hospitality should be declared to the Chair or Board.

Cash gifts should not normally be accepted.

14. Confidential Information

Trustees may receive confidential information because of their position.

A trustee must not use confidential information obtained through Leasowe Community Centre Trust for their own benefit or for the benefit of another person or organisation.

This includes confidential information relating to the charity's finances, suppliers, funding, staffing, property, negotiations, future plans, beneficiaries or service users.

15. What if a Trustee is Unsure?

Trustees should not decide that an interest is too minor to declare without considering the circumstances.

The rule is:

"If in doubt, declare the interest."

Declaring an interest does not mean that the trustee has done anything wrong.

It allows the Board to decide openly and fairly how the matter should be managed.

16. Failure to Declare a Conflict

Failure to declare a relevant conflict may be a serious governance matter.

The Board may need to:

- investigate the circumstances;
- review the decision concerned;
- reconsider a decision where appropriate;

- seek independent advice;
- take appropriate action in relation to the trustee's conduct; and
- consider whether the matter should be reported to the Charity Commission or another relevant authority.

Each situation will be considered on its individual circumstances.

17. Recording Conflicts

Leasowe Community Centre Trust will maintain appropriate records of conflicts declared by trustees.

The minutes should record, where appropriate:

- the trustee who declared the conflict;
- whether it was a financial conflict or conflict of loyalty;
- the nature of the conflict;
- the agenda item concerned;
- whether the trustee participated in the discussion;
- whether the trustee voted;
- whether the trustee left the meeting; and
- the decision made.

This provides a clear audit trail and demonstrates that the Board has properly considered and managed conflicts.

18. Responsibility of the Chair

The Chair is responsible for ensuring that conflicts of interest are appropriately identified and managed during trustee meetings.

Where the Chair has a conflict, another trustee should take responsibility for managing the matter.

The Chair should ensure that the Board does not allow a conflicted trustee to improperly influence a decision.

19. Review of this Policy

The Board of Trustees of Leasowe Community Centre Trust will review this policy at least every two years, or sooner where there are changes to legislation, Charity Commission guidance, the charity's governing document or the activities of the charity.

All trustees are expected to familiarise themselves with this policy and comply with it.

Approved by the Board of Trustees: _____ KARL GREANEY _____ (Chair)

Effective from: _____ 17th September 2026 _____ **Review date:** August 2028 _____

Appendix 1 – Trustee Declaration of Interests

Charity: *Leasowe Community Centre Trust*

Trustee name: _____

Financial Interests

Please declare any financial, employment, business, property or other interests that could create a financial conflict of interest with the charity.

Conflicts of Loyalty

Please declare any trusteeships, committee positions, involvement with charities, community groups or other organisations, family relationships, close personal relationships or other interests that could create a conflict of loyalty.

Other Relevant Interests

I understand that I must declare any actual, potential or perceived conflict of interest when it arises, even if the interest is already recorded in the Register of Trustees’ Interests.

Signed: _____

Date: _____

Appendix 2 – Conflict of Interest Record

Charity: Leasowe Community Centre Trust

Date: _____ **Trustee:** _____

Meeting/agenda item: _____

Type of Conflict

☐ Financial conflict of interest

☐ Conflict of loyalty

☐ Both

☐ Other: _____

Nature of Conflict

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How Was the Conflict Managed?

☐ Trustee remained but did not participate in the discussion

☐ Trustee provided factual information only

☐ Trustee did not vote

☐ Trustee left the meeting

☐ Trustee took no further part in the matter

☐ Independent advice was obtained

☐ Other: _____

Decision Made

Recorded in minutes: Yes / No

Chair's name: _____

Date: _____