

SOUTHAMPTON CITY COUNCIL
CHIPPERFIELD TRUST ADVISORY COMMITTEE
CONFLICTS OF INTEREST POLICY

1. Aims and objectives

- 1.1 This Policy applies to all members of the Chipperfield Trust Advisory Committee.
- 1.2 The aim of this Policy is to assist the Committee to act with integrity and openness, with a view to identifying situations where their duties to the charities administered by the Committee, might be in conflict with their duties to Council, the Cabinet or other bodies.
- 1.3 This Policy is intended to assist the Committee in identifying conflicts, to avoid conflicts arising at all and where conflicts do arise, this Policy is intended to assist the Committee to manage those conflicts in order to avoid perceived and actual problems occurring.
- 1.4 This Policy supplements the guidance and advice set out in the Council's ethical governance framework and Constitution.

2. Responsibilities

- 2.1 The guiding principle for Committee members is that their primary duty is to act in the best interests of the charities administered by the Committee and those who are beneficiaries of those charities, when they make and implement decisions. That duty takes priority over any duty that might be owed to Council, the Cabinet or other bodies.
- 2.2 Committee members must exercise reasonable care in the manner in which they make decisions. Members must make decisions independently of any influence from Council, the Cabinet or other bodies. Members must ensure that decisions are made to further the purpose of the charities and those who are beneficiaries of those charities and not to further other purposes.
- 2.3 Committee members are not charity trustees and do not have the responsibilities and liabilities of a trustee. This does not mean that they do not owe duties to the charities administered by the Committee.
- 2.4 It is the personal responsibility of each individual Committee member (under guidance of the Monitoring Officer if necessary), to determine whether they feel a matter represents a potential or actual conflict of interest or the perception of such a conflict and should therefore be declared.

3. Identifying conflicts

- 3.1 Committee members must be alert to the possibility that conflicts of interest may arise. When they carry out the business of the Committee, Committee members must avoid conflicts of interest as far as possible.

The Charity Commission's guidance¹ notes that 'the issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as trustee, or for a trustee to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully'.

- 3.2 A conflict of interest arises in any situation where duties are owed by Committee members to a body other than the charities administered by the Committee, if those duties clash with the duties owed to one or more of the charities. If it is not possible to do both at the same time, there is a conflict of interest.
- 3.3 Where specific decisions have to be made, a decision might be advantageous to Council, the Cabinet or to another body, but may not be the best decision to make for a charity that is administered by the Committee. In that situation, there may be a conflict of interest specific to that decision.
- 3.4 Where a Committee member has already participated in the business of Council, the Cabinet or some other body that is likely to affect a charity administered by the Committee, that member is likely to have a conflict of interest, if that business has subsequently to be considered by the Committee.
- 3.5 Relevant interests may be financial or non-financial; direct or indirect.

Direct financial benefits or interests include for example employment by the charity of a Committee member as a consultant or advisor, or a company of which a Committee member is a director or shareholder may be considered for a contract by the charity. Other matters of financial interest include the sale of land or the use of a Committee member's property by the charity, or granting of loans by a Committee member to the charity. Such financial benefits require authorisation, usually by the Commission.

- 3.6 Indirect financial interests may arise where potential financial benefits accrue to a close member of a Committee member's family, or even a friend, business partner or colleague, where their finances are interdependent (e.g. joint bank accounts, mortgages or property held in joint names, one party financially dependent on the other, employer/employee/contractual relationship) or where it could otherwise be perceived that such benefits could lead to a conflict of interest, i.e. by influencing the Committee member's decision other than in the best interest of the charity.
- 3.7 Non financial interests, direct or indirect, may arise where a Committee member is also a user of the charity's services, particularly if the Committee member is benefiting from those services in a manner which is exceptional.
- 3.8 Conflict of loyalty interests may arise where an association of a Committee member or of a relative or friend with another body or organisation etc may be perceived as influencing the member in making decisions which may not be in the best interest of the charity.

¹ A Guide to Conflicts of Interests for Charities

- 3.9 If a Committee member is unsure whether they are or might find themselves in a position of conflict, that member must err on the side of caution by making the situation known to the Committee as a whole and if necessary, seek the advice of the Monitoring Officer.

4. Avoiding conflicts

- 4.1 In conducting the business of some other body, Committee members must consider whether participating in that business might prevent them from participating in any aspect of the business of the Committee.
- 4.2 If it is likely that by participating in the business of Council, the Cabinet or another body, a conflict of interest might arise in future with the business of the Committee, a member of the Committee should not participate in the business of Council, the Cabinet or other body. Instead, Committee members should give priority to the business of the Committee.

5. Managing conflicts

- 5.1 Where a conflict of interest or a potential conflict of interest is identified, it must be recorded in the minutes of the Committee and the Committee's Register of Interests and reported to the Governance Standards Committee in accordance with the Council's constitutional arrangements. Keeping a record of the business of Council, the Cabinet and other bodies that is likely to affect the business of the Committee will help members to recognise when they should not participate in decisions.
- 5.2 If a conflict of interest has arisen, the Committee member concerned must not participate in the discussions or decisions of the Committee that are affected by that conflict. That member should not influence the views of any other Committee member. If the member is able to contribute to the discussion and/or provide information that might be relevant to the discussion or the decision, the Committee may, on a simple majority vote, recorded in the minutes, ask the member to contribute to the discussion and/or provide the information. The member should not contribute to the discussion and/or provide the information without the prior agreement of the Committee.
- 5.3 Where a general duty to Council, the Cabinet or another body conflicts with a duty to a charity administered by the Committee, the member concerned should have regard only to the duty owed to the charity. The member concerned should have no regard to the duty owed to Council, the Cabinet or that other body.
- 5.4 Where there is a likelihood of a conflict or where a conflict has been identified, the Committee should consider whether any other Committee members might be in positions of conflict.

6. Seeking advice

- 6.1 The Committee should bear in mind that in any case of doubt, advice is available from the Monitoring Officer and that it is preferable to seek advice at an early stage, before any decision is made.

7. Recruitment of Members

- 7.1 Applicants must not within the period of five years, have been a councillor, co-opted member or employee of Southampton City Council or be a relative or close friend² of an elected councillor, employee or co-opted member of the Council.
- 7.2 Applicants must demonstrate a commitment to good governance and sound financial management and act solely in the best interests of the charities administered by the Committee and work with and alongside elected Councillors in managing the charities, for the people of Southampton.
- 7.3 Unless a member resigns or becomes disqualified in accordance with the Council's Standing Orders, the term of office for members appointed to the Chipperfield Trust Advisory Committee, will not exceed a period of 4 years.

² A closer relationship is implied than mere acquaintance (Standards for England Case Review 2007 (Paragraph 8))