



City of Sanctuary
Sheffield
Creating a Culture of Welcome

Conflict of Interest Policy

Version	1
Date of approval:	October 2019
Approved by:	Board of Trustees
Date for review	October 2021

Introduction

City of Sanctuary Sheffield aims to follow best practice and be an open, fair and honest organisation, that always acts in the best interests of the people who benefit from its services (refugees, asylum seekers, and the people of Sheffield.)

Trustees have a legal obligation to act in the best interests of the organisation, and in accordance with its governing document, and to avoid situations where there may be a potential conflict of interest. Staff and volunteers have similar obligations, as described in our Code of Conduct. This policy therefore applies to all staff, trustees and volunteers of City of Sanctuary Sheffield, insofar as they are involved in decision-making by the charity.

Conflicts of interest can arise when an individual's personal or family interests and/or loyalties conflict with those of the organisation. Such conflicts may create problems. They can:

- Inhibit free discussion
- Result in decisions or actions that are not in the best interests of City of Sanctuary Sheffield and the people who benefit from its services
- Create the risk that the organisation will be perceived to have acted improperly.

The aim of this policy is to protect both City of Sanctuary Sheffield and the individuals involved from any appearance of impropriety.

The policy describes how City of Sanctuary Sheffield will **identify** conflicts of interest and conflicts of loyalty, **prevent** them from affecting decisions, and **record** them.

Definitions

Definition of ‘conflict of interest’

A conflict of interest is any situation in which an individual’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

Conflicts of interest come in a number of different forms: they may involve direct financial gain or benefit (e.g. personal payments to trustees, or the award of a contract to an organisation in which a trustee has an interest and from which they will receive a financial benefit.) They may also involve indirect financial gain or benefit (e.g. employment by the charity of a spouse or partner of a trustee.)

Definition of a ‘connected person’

A connected person in broad terms means family, relatives or business partners, and businesses in which an individual has an interest through ownership or influence.

For example:

- A trustee, their child, stepchild, parent, grandchild, grandparent, brother or sister.
- The spouse or civil partner of any of the above. Including a person living with another as that person’s husband, wife or civil partner
- A person carrying on a business in partnership with any of the persons mentioned above
- Any institution which is controlled either individually or by two or more people mentioned above. By this we mean they are able to secure that the affairs of the institution are conducted in accordance with their wishes
- A body corporate in which any of the people mentioned above has a substantial interest, either sole or between two or more people. By this we mean someone who: a) has shares that have a nominal value of more than one-fifth of the share capital or b) can control the exercise of more that one-fifth of the voting power at any general meeting.

Definition of ‘conflict of loyalty’

This means a particular type of conflict of interest, in which a trustee’s loyalty or duty to another person or organisation could prevent them from making a decision only in the best interests of the charity. For example, when a trustee is appointed by the local authority or another of the charity’s funders, or when a friend of a Trustee is employed by the charity.

Definition of ‘benefit’

‘Trustee benefit’ means any instance where money, or other property, goods or service with a monetary value, are received by a trustee from a charity. It does not include any payments to trustees which are for their proper out of pocket expenses.

The principles for staff are largely the same as for trustees. However, unlike trustees, staff are normally paid and may receive other benefits from the charity as part of their remuneration. They should not be involved in any trustee decisions about remuneration.

Definition of ‘member trustee’

City of Sanctuary Sheffield welcomes and values trustees, staff members and volunteers who are refugees and asylum seekers. We call people using our services ‘members.’ A ‘member trustee’ means any trustee who makes use, as a beneficiary of the charity, of the equipment, facilities, services or support that are provided by the charity.

Trustees who are users of any of the charity’s services should not receive any added benefit over and above that received by any other user or beneficiary of the service. A member trustee should not be involved in any decisions about services which may be directly to their financial advantage.

Identifying Conflicts of Interest and Conflicts of Loyalty

All trustees (and staff involved in decision-making) have a personal responsibility to declare conflicts of interest or loyalty.

Accordingly, we are asking all trustees and paid staff to declare their interests, and also any gifts or hospitality received in connection with their role in City of Sanctuary Sheffield

The Declaration of Interests

All new staff and trustees are required to complete the Declaration of Interests Form (attached in Appendix 1) on joining the organisation. They are also required to update the form annually, or sooner if any changes occur and a new potential conflict of interest is identified.

Candidates for employment opportunities with City of Sanctuary Sheffield will be asked to declare any personal connections they or close family members have with the organisation in their application.

If you are not sure what to declare, or when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, or need further advice, please contact the Co-Chairs or the Treasurer.

Declarations of Interest will be held securely in City of Sanctuary’s Register of Interests. The

Co-Chairs and Treasurer are jointly responsible for maintaining the Register of Interests.

Record of Gifts and Hospitality

The register of interests will also be used to record gifts and hospitality.

All staff, trustees and volunteers are required to record all gifts and hospitality (to a value of £10 or more) received by them in the course of carrying out their duties for City of Sanctuary Sheffield. Staff, trustees and volunteers are required to complete the Record of Gifts and Hospitality Forms in Appendix 2, and send them promptly to the Co-Chairs or Treasurer for inclusion in the Register of Interests.

Data Protection

The information provided will be stored and processed confidentially in accordance with our Data Protection and Confidentiality Policy. The data will be processed only to ensure that trustees, staff and volunteers act in the best interests of the charity. The information will not be used for other purposes.

Preventing Conflicts of Interest or Loyalty

What to do if you face a conflict of interest or loyalty

If a trustee or staff member identifies a potential conflict of interest or loyalty they should declare their interest at the earliest opportunity and withdraw from the discussion. For example, if a contract is being awarded, a trustee with a direct or indirect interest in a potential supplier or partner organisation should not take part in any discussions or decision making about the tendering or contracting process.

If a member trustee is receiving a particular service from City of Sanctuary Sheffield, they should say so at the start of any discussion of that service. They may participate in general discussions where they do not personally benefit (directly or indirectly) over and above any other people using the service.

If a trustee or staff member does not declare an interest that is known to the Co-chairs, Treasurer or Co-ordinator, they should declare their knowledge of the conflict of interest and ask the person concerned to stand down from discussions or decision-making.

Declaration of interests at the start of each meeting

At the start of each meeting of the trustees, the chair will ask all members present, having seen the agenda, to declare any potential conflicts of interest or conflicts or loyalty. All declarations of interest or loyalty will be recorded in the minutes of the meeting.

Managing conflicts of interest during a meeting

Should a conflict of interest or conflict of loyalty become apparent in the course of the meeting's discussions, the person with the conflict of interest or loyalty should immediately declare their interest at that point.

If someone has a conflict of interest or conflict of loyalty, they should not participate actively in discussions and they must not take part in decision making. They may, however, contribute points of factual information or clarification.

Taking decisions where a trustee or member of staff has an interest.

In the event of the trustees having to decide upon a question in which a trustee or staff member has an interest, all decisions will be made by vote, with a simple majority required. The person with the conflict of interest or loyalty does not have a vote. A quorum must be present for the discussion and the decision: interested parties are not counted when deciding if a meeting is quorate.

Managing contracts

If staff member or trustee has a conflict of interest, they must not be involved in managing or monitoring any contract in which they have an interest.

Employment decisions

If a staff member or trustee has a conflict of interest, for example if they are related to a potential applicant for a post, they must not be involved in decisions about recruitment, changes to contracts or remuneration or any other employment issues related to that role. Similarly, if a candidate for a post is the close personal friend of a staff member or trustee, the staff member or trustee should not be involved in the recruitment and selection for that post.

Recording conflicts of interest and actions taken

All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting. The minutes will record:

- The nature and extent of the conflict
- The actions taken to manage the conflict

If a trustee benefits from the decision, this will be reported in the charity's annual accounts and/or annual report. All payments, gifts or benefits in kind (over £10 in value) will also be reported annually, with amounts for each trustee listed for the year in question. Where a trustee or member of staff is connected to a party involved in the supply of a service or product, this information will be fully disclosed in the annual accounts and/or report.

Independent external moderation will be used where conflicts cannot be resolved through the

usual procedures.

References and acknowledgments

This policy has been developed from the Manchester City of Sanctuary Conflicts of Interests Policy.

For further information and advice, please refer to the Charity Commission guidance **Conflicts of interest: a guide for charity trustees**

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/636091/CC29.pdf