

Docklands Business Forum

Committee Conflict of Interest and Conflict of Loyalty Policy¹

1. Introduction

This policy document has been drafted to address how Docklands Business Forum's committee will deal with inevitable conflicts of interest and conflicts of loyalty when they arise.

The purpose of having this policy is to provide clarity to:

- individual committee members about the behaviour expected from them on such occasions;
- the committee as a whole, as to how it should address any declared or perceived conflicts should they arise;
- the Chair as to his/her role in the process;
- members (and other stakeholders), because it provides information about how the committee addresses these types of conflict.

In developing this policy it is acknowledged that conflicts of interest and conflicts of loyalty will arise from time to time for committee members and that this is normal. This policy has been developed to provide assurance for, and clarity to, all concerned and that there is a clear way of addressing them when they arise.

This policy is being developed in conjunction with the creation of a 'Code of Conduct' for committee members in which this policy will be referenced.

This policy will also apply to all subgroups of the committee whose memberships will also include non-committee members.

¹ This policy is applicable for committee members as well as all subgroup members. Therefore each reference to 'committee' in the policy should be understood to also mean 'committee' and 'committee subgroup'

2. Definitions

The following definitions for the two terms are provided in the Glossary to the Governance Code for Community and Voluntary Organisations and this policy is based on those definitions:

Conflict of interest: A conflict of interest arises when your private interests compete with your professional duties. A conflict of interest may arise, for example, if a committee member influences the awarding of a contract to a company owned by a family member. It is legal to award a contract to the best qualified company, even if that company is owned by a relative, but the committee member them self could not be part of the decision making process. This would be a conflict of interest, because their own family would benefit financially from this position.

A conflict of interest can also happen in relation to connections the committee member might have that are unrelated to family connections, but to do with others with whom he/she may have a business connection.

Conflict of Loyalty: is where a committee member may be involved in committee decisions and may be (or perceived to be) potentially influenced by considerations other than the best interests of the organisation. This might happen when the committee member has come onto the committee as a nominee of a particular group e.g. members in a particular county, a funding body, beneficiaries or staff. This situation may possibly cause the committee member to think that they should act in the interests of the grouping that nominated them. However, in all cases, regardless of how they got onto the board of directors, all committee members should act in the interests solely of the organisation on whose committee that they sit, rather than acting in the interests of the grouping that nominated them.

Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

3. Statement of Policy

Conflicts of interest and conflicts of loyalty will arise from time to time and that this is normal. When they arise, they are to be dealt with as outlined in this policy.

Each committee member must familiarise themselves at their induction with the definitions of conflicts of interest and loyalty as provided for here and with this policy.

At a committee meeting, each committee member, and anyone else present, must say if they believe they have a conflict of interest on a matter to be decided at the meeting. Unless the committee decides otherwise, they must leave the room when the committee is discussing or deciding on that matter. The person concerned will subsequently be told what the decision was.

All conflicts of interest and the outcome will be recorded in the minutes for that meeting.

At a committee meeting, each committee member, and anyone else present, must say if they believe they have a conflict of loyalty on a matter to be decided at that meeting. If the committee decides that this is sufficiently serious so as to be a conflict of interest, then it will be addressed as per the policy for conflict of interest which is outlined in this document. However, in most cases, the

committee will decide that the potential conflict of loyalty, as expressed by a committee member, does not warrant the committee member's absence, i.e. it is not serious enough to be a conflict of interest.

4. How the policy will be enacted

At the start of every committee meeting there will be an agenda item addressing potential conflicts of interest and loyalty with respect to items scheduled for discussion and decision at that meeting.

The Chair will ultimately decide on an appropriate action for dealing with any concerns expressed, up to and including asking the relevant person to leave the room for the relevant discussion/decision.

This policy will form part of a 'Code of Conduct' which will be explained to new committee members at their induction and to which all committee members must sign up to upon their election as committee members.

5. Review of Policy

This policy will be reviewed as part of Docklands Business Forum's Governance Code.