

CITY OF DURHAM TRUST – CONFLICTS POLICY

1. The City of Durham Trust (“the Trust”) is a local civic society and a Charitable Incorporated Organisation (“CIO”) whose purpose is to celebrate, protect and enhance the heritage and landscape of our City and is dedicated to giving a strong and independent voice to ordinary people who:
 - care about where they live and everything that makes the City of Durham such a special place
 - have a store of knowledge and want to make a meaningful contribution
 - want to participate in and influence planning in order to keep the City distinct and liveable
 - are keen to balance heritage and growth and to put sustainability at the heart of planning for the City.
2. The Trustees will make independent decisions based only on what is in the best interests of the charity in achieving its objects.
3. The Trust’s objects are set out in paragraph 3 of the Constitution of the Trust (“the Constitution” - see the Appendix of this Policy).
4. The Trustees will have regard to the guidance on conflicts of interest issued from time to time by the Charity Commission. The current guidance considered when drafting this policy is:

“Conflicts of Interest: a guide for charity trustees Updated 31 October 2022”
5. This policy adopts the definition of a conflict of interest set out in the current Charity Commission guidance which is that:

“A conflict of interest is any situation in which a trustee’s personal interests or loyalties could, or could be seen to, prevent them from making a decision in the best interests of the charity.”
6. For the purposes of this policy, the Trustees consider two main types of conflict:

- Financial Conflict- when a Trustee, or person or organisation connected to them, could get money or something of value from a decision of the Trustees save for the payment of reasonable authorised expenses incurred in carrying out the Trust's objectives.
- Loyalty Conflict- where, for whatever reason other than a Financial Conflict, a Trustee might not be able to make decisions that are in the best interests of the Trust.

A Loyalty Conflict may include a situation where a Trustee has a material connection to another organisation or person with whom the Trustee or Trust has a financial or other working arrangement either as family or as a trustee, board member, member of staff or otherwise.

A Loyalty Conflict would not usually include:

- a connection with other organisations of a non-commercial nature having interests similar to the objects of the Trust (such as the organisations mentioned in paragraph 3(3) of the Constitution)
 - working for or with an organisation with more than 100 staff save where the Trustee has significant involvement as a member of the staff of that organisation in supporting a proposal, application or action which is being considered by the Trust.
7. Conflict of interest is a standing item in relation to all Trustee meetings and either the Chairman will remind Trustees at the beginning of the meeting or the agenda prepared for that meeting will contain a reminder that all conflicts of interest which a Trustee believes may be relevant to any item on the agenda for that day's meeting must be declared.
 8. A record of any professional or personal interest that may give rise to a Financial Conflict or a Loyalty Conflict in relation to any item on the agenda for that day's meeting is to be noted in the minutes of the meeting.
 9. If a Trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Trust or in relation to any planning application or other matter to which the Trust is responding or making comment on or which would be relevant the Trustee must declare the nature and extent of that interest to the other Trustees before any decision is made by the Trustees.
 10. If a declaration of interest made by a Trustee proves to be or becomes inaccurate or incomplete a further declaration must be made.

11. A declaration is not required in relation to an interest of which the Trustee is not aware or where the Trustee is not aware of the transaction or arrangement in question and, for this purpose, a Trustee is treated as being aware of matters of which the Trustee ought reasonably to be aware.
12. If a Trustee has a Financial Conflict or a Loyalty Conflict then the Trustee will be requested to leave the meeting while the relevant agenda item is discussed and see paragraph 7 of the Constitution.
13. The Trustees will consider the issue of conflict of interest which has arisen so that any potential effect on decision making is eliminated. This will usually be achieved by managing the conflict.
14. Managing a conflict means ensuring that the conflict does not prevent the decision being made solely in the interests of the Trust and that the Trustees can demonstrate this. It may sometimes include a Trustee withdrawing from discussion or part of it and from decision making in accordance with paragraph 7 of the Constitution.
15. The Trust may pay and offer other material benefits, to one or more of its Trustees to provide services to the Trust, where the Trustees reasonably believes that it is in the Trust's best interests to do so. In that regard:
 - the services in question must be ones which the Trustee provides in addition to carrying out normal trustee duties.
 - any such proposal would be considered on a case by case basis and would only be approved subject to compliance with paragraph 6 of the Constitution of the Trust.
 - the Trust, in managing these issues, may ask questions such as is this the best use of the Trust's resources, will there be an appearance of impropriety, might anyone else be able to provide this service and, if there are others, in terms of cost, quality, availability and any other relevant factor, who would be the best provider?
16. Conflicts of interest will be recorded in the minutes together with key points and decisions made, in sufficient detail to enable a reader to understand the issue and the basis on which the decision was made
17. This policy will be reviewed every twelve months or sooner where deemed appropriate. The Chair of the Trust from time to time is responsible for enforcement of the policy.

APPENDIX – Extracts from the Constitution of the City of Durham Trust Ltd dated 30 September 2020 which may be relevant to this Conflicts Policy

3. Objects

(1) To preserve for the benefit of the public the amenities of the City of Durham and Framwelgate and its surroundings, and for that purpose (subject to the provisions of Section 14 of The Companies Act, 1929) to acquire land and buildings in and in the vicinity of Durham, and to conserve the natural features and to promote the development of such land and buildings consonant with the objects of the Society.

(2) Subject to the provisions of the said Section, to purchase, take on lease, or otherwise acquire any land and buildings, and any rights, easements, and privileges deemed necessary or convenient, and to manage, improve, add to, sell, develop, lease, exchange, dedicate to the public, lend, or otherwise dispose of all or any part of the property of the Society in such a manner and on such terms as may be deemed conducive to the attainment of the objects of the Society.

(3) To co-operate and enter into agreements with the National Trust for Places of Historic Interest or Natural Beauty, the Society for the Protection of Ancient Buildings, the Society for the Preservation of Rural England, the Durham and Northumberland Archaeological Association, the Surtees society, and any other body of a non-commercial character having interests similar to the objects of the Society.

(4) To aid in preserving and maintaining public rights of way in the neighbourhood of Durham, and to encourage public co-operation in the protection of objects of natural beauty and interest, and buildings of architectural or historical value, to assist the development of urban or rural community like, to organize exhibitions, to publish pamphlets and other like literary works, and to initiate or take part in meetings and lectures or social events having these objects in view.

(5) To undertake and exercise any trusts which seem to the Society conducive to the attainment of any of its objects, and to act as custodians.

(6) To provide and collect from the Members and others and to raise funds for the purpose of carrying on or furthering the objects of the Society, and (subject to the provisions of the Section of the Act before referred to) to accept testamentary or other gifts of land or other property, whether subject to existing charges, obligations, conditions, or otherwise.

(7) To raise or borrow any moneys required for the purposes of the Society upon any such terms and such securities as may be determined, and to create mortgages of or to issue Debentures or Debenture Stock, perpetual or otherwise, charged upon any or all of the property, both present and future, of the Society, to secure any moneys so borrowed or raised, or to secure any obligation to which the Society is subject.

(8) To invest the moneys of the Society not immediately required upon such securities or otherwise in such manner as may from time to time be determined, or by placing the same on deposit at the bank.

(9) To do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them:

Provided that the Society shall not support with its funds or endeavour to impose on or to procure to be observed by its Members or others any regulation, restriction, or condition which if an object of the Society would make it a trade union.

4. Powers

The CIO has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. In particular, the CIO's powers include power to:

(1) borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed. The CIO must comply as appropriate with sections 124 and 125 of the Charities Act 2011 if it wishes to mortgage land;

(2) buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;

(3) sell, lease or otherwise dispose of all or any part of the property belonging to the CIO. In exercising this power, the CIO must comply as appropriate with sections 117 and 119-123 of the Charities Act 2011;

(4) employ and remunerate such staff as are necessary for carrying out the work of the CIO. The CIO may employ or remunerate a charity trustee only to the extent that it is permitted to do so by clause 6 (Benefits and payments to charity trustees and connected persons) and provided it complies with the conditions of those clauses;

(5) deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of the CIO to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;

5. Application of income and property

(1) The income and property of the CIO must be applied solely towards the promotion of the objects.

(a) A charity trustee is entitled to be reimbursed from the property of the CIO or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the CIO.

(b) A charity trustee may benefit from trustee indemnity insurance cover purchased at the CIO's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

(2) None of the income or property of the CIO may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the CIO. This does not prevent a member who is not also a charity trustee receiving:

- (a) A benefit from the CIO as a beneficiary of the CIO;
 - (b) Reasonable and proper remuneration for any goods or services supplied to the CIO.
- (3) Nothing in this clause shall prevent a charity trustee or connected person receiving any benefit or payment which is authorised by Clause 6.

6. Benefits and payments to charity trustees and connected persons

The income and property of the Society, whencesoever derived, shall be applied solely towards the promotion of the objects of the Society as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred, directly or indirectly, by way of Dividend, Bonus, or otherwise howsoever by way of profit, to the Members of the Society. Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Society, or to any Member of the Society, in return for any services actually rendered to the Society, nor prevent the payment of interest at a rate not exceeding Five per centum per annum on money lent or reasonable and proper rent for premises demised or let by any Member to the Society, or the demise or letting at a reasonable and proper rent of any premises of the Society to any Member of the Society; but so that no Member of the Governing Body of the Society shall be appointed to any salaried office of the Society or any office of the Society paid by fees, and that no remuneration or other benefit in money or money's worth shall be given by the Society to any Member of such Governing Body, except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Society; provided that the provision last aforesaid shall not apply to any payment to any railway, gas, electric lighting, water, cable, or public utility company of which a Member of the Governing Body may be a Member, or any other company of which such Member shall not hold more than one hundredth part of the capital, and such Member shall not be bound to account for any share of profits he may receive in respect of any such payment.

7. Conflicts of interest and conflicts of loyalty

A charity trustee must:

- (1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and
- (2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any personal interest (including but not limited to any financial interest).

Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter

“connected person” means

- (a) a child, parent, grandchild, grandparent, brother or sister of the charity trustee;
- (b) the spouse or civil partner of the charity trustee or of any previous person falling within sub-clause (a) above;

- (c) a person carrying on business in partnership with the charity trustee or with any person falling within sub-clause (a) or (b) above;
- (d) an institution which is controlled –
 - (i) by the charity trustee or any connected person falling within sub-clause (a)(b) or (c) above; or
 - (ii) by two or more persons falling within sub-clause (d) (i), when taken together
- (e) a body corporate in which–
 - (i) the charity trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or
 - (ii) two or more persons falling within sub-clause (e)(i) who, when taken together, have a substantial interest.

Date this Conflicts Policy was approved by the Trustees:

18 April 2023