

Alexandra Palace

ALEXANDRA PARK AND PALACE **CHARITABLE TRUST BOARD**

20th February 2018

Report Title: Conflicts of Interest Policy

Report of: Louise Stewart

Report Authorised by: Louise Stewart, Chief Executive Officer, Alexandra Park and Palace Charitable Trust (APPCT)

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Purpose: This report seeks Board approval of the Conflicts of Interest Policy attached at Appendix 1.

Local Government (Access to Information) Act 1985

N/A

1. Recommendations

- 1.1 That the Board approve the Conflicts of Interest Policy.
- 1.2 That individual Board Members complete the Conflict of Interests Disclosure Form taking into account the list of suppliers attached at Appendix 2.

2. Introduction

The attached Conflict of Interest Policy has not changed significantly since adopted by Trustees at the Trustee Strategy Day on 19th November 2016 but are asked to review the document as part of its annual policy review schedule.

This policy was considered and recommended to the Board for approval by FRAC on 1st February 2018.

3. Legal Implications

- 3.1 The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

4. Financial Implications

- 4.1 The Council's Chief Financial Officer has been consulted in the preparation of this report, and has no comments.

5. Use of Appendices

Appendix 1 – Conflict of Interests Policy

Appendix 2 – Conflict of Interests Disclosure Form

Alexandra Palace

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| Conflicts of Interest Policy | Date Approved: FRAC – 1st February 2018 APPCT – 20th February 2018 |
| | Issue Date: 20 February 2018 |
| | Review Date: February 2019 |

1. Introduction

1.1 Each Member of Alexandra Park and Palace Charitable Trust (APPCT) and its trading subsidiary APTL, hereafter known as 'Members of Alexandra Palace', has an obligation to act in the best interests of the Alexandra Park and Palace Charitable Trust ("the Charity") in relation to their duties and activities.

1.2 Members of the Alexandra Palace have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the Charity.

1.3 Definitions:

A conflict of interest is a situation where a trustee's or director's personal (or other) interests and that of the Charity appear to clash and could be seen to prevent the trustee from making a decision only in the best interests of the Charity.

A conflict of loyalty is a situation where a trustee's or director's loyalties or duties to another individual or organisation can be seen to prevent the trustee/director from making a decision in the best interests of the Charity.

1.4 The existence of an actual, perceived or potential conflict of interest does not imply wrongdoing on the part of the person concerned. However, any private, personal or commercial interests, duties or obligations which give rise to such a conflict of interest must be recognised, disclosed (at an early stage) and recorded appropriately and either eliminated or properly managed.

1.5 The Charity recognises that its Members have diverse interests and contacts within the local and national communities. Those links can often be in the public interest and potentially beneficial to the Charity. However, it also recognises that it is possible that such connections may give rise to conflicts of interest or duty. Conflicts of interest and conflicts of duty (or conflicts of loyalty and potential conflicts of interest) are the subject of legal requirements in both charity and company law, both of which are binding on Members.

Under charity law:

- Members must declare any conflict.
- Members may not act when there are conflicts unless authorised.
- Members cannot receive any benefit (broadly defined) directly or indirectly unless explicitly authorised (in the Charity's governing document or by the Charity Commission).

- 1.6 Under company law, directors are required to declare any interest in transactions or proposed transactions and are generally not permitted to purchase property or take loans from the company. In addition to such conflicts of interest, company law also regulates “conflict of interest situations”. These are generally referred to as conflicts of duty or conflicts of loyalty and these must be managed by appropriate decisions being taken by the APTL Board as to how they are dealt with.
- 1.7 The Charity expects individuals to recognise conflicts of interest and to ensure that their decision making ability in their role is not or could not be perceived to be affected by any other interest.

The purpose of this policy is to:

- assist Members of the APPCT Board and the Directors APTL Board in identifying any conflicts of interest, conflicts or duty or potential conflicts
- enable the disclosure of conflicts or potential conflicts
- provide guidance to those responsible for dealing with conflicts
- assist in the management of conflicts in order to protect the Charity and its Members and Directors

2. What is a Conflict of Interest or Conflict of Duty?

- 2.1 For the purpose of this policy, the term 'conflict' includes conflicts of interest and conflicts of duty or loyalty (perceived, potential and actual).
 - **A perceived conflict** is one which a reasonable person could consider likely to compromise the relevant individual's ability to make a decision only in the best interests of the Charity.
 - **A potential conflict** is a situation which could develop into an actual or perceived conflict although no conflict currently exists. For example your partner works for a firm that provides services which the Charity does not currently use but could use in future.

As defined in section 1.3 **Conflicts of interest** are any situation in which a Member of Alexandra Palace has a personal interest in any transaction with the Charity or its subsidiary which could or could appear to prevent the Member from making a decision only in the best interests of the Charity.

- 2.2 Conflicts of interest generally involve financial interests i.e. anything of monetary value including, but not limited to, pay, commission, consultancy fees, shareholdings, equity interests, debt, property, royalties and intellectual property rights.
- 2.3 Examples of financial interests include:
 - the employment of a Members of Alexandra Palace, or a connected person (see section 2.7), by the Charity as an employee, consultant or advisor;
 - a situation where a company of which a Member of Alexandra Palace is a director or shareholder may be considered for a contract by the Charity;
 - the sale of assets or the use of the Charity's property or rights;
 - the Charity's action relating to Members of Alexandra Palace receiving a benefit from a third party.
- 2.4 Conflicts of interest in such cases are particularly serious and any financial benefit requires authorisation by the Charity Commission. Such matters will generally be considered relevant conflicts of interest even if a Member resigns prior to seeking such a contract or employment or

entering into a transaction with the Charity. Legal advice will generally be taken in these circumstances.

2.5 Conflicts of interest may also arise from a non-financial benefit or advantage, including, but not limited to, enhancement of an individual's career or professional reputation, access to information or facilities that could be used by others, advancing a cause or reputation or improving access to any beneficial connection or other advantage. For example, making use of information learned at a meeting of Members of Alexandra Palace to assist a client who employs the relative of a Member of a Member of Alexandra Palace.

2.6 Conflicts of duty or conflicts of loyalty are any interests, duty, role or loyalty, relationship or conviction which could directly or indirectly affect that person's ability to make decisions solely in the best interests of the Charity. These include:

- where a relationship of the Members of the APPCT Board or APT Ltd Board, for example, to a relative or close friend may be felt to influence the decisions of the Members of the APPCT Board and APT Ltd Board ;
- Other roles, for example, as a Members of the APPCT Board or APT Ltd Board of another charity;
- Other significant relationships;
- Employment by another organisation, for example, one with which the Charity contracts, or collaborates or competes;
- Providing advice or support to another body;
- Active membership of a body;
- Strongly-held beliefs. For example, anti-Royalist.

2.7 Connected Persons

A conflict can arise because of a Member's relationship with or connection to a third party or organisation (a connected person). These must be dealt with in the same way as personal conflicts. Examples of connected persons:

- close members of family
- a business partner or colleague
- anyone whose finances are interdependent with the Members of Alexandra Palace (e.g. joint bank accounts, joint mortgages or property held in joint names, one party financially dependent on the other, joint beneficiaries of a trust)
- employer/employee or contractual relationship or anyone receiving a benefit where it could otherwise be perceived that such benefits could lead to a conflict of interest, i.e. by influencing the Member's decisions other than in the best interests of the Charity.

3. **Disclosure of a conflict of interest**

3.1 When must you disclose?

There are five occasions when conflicts should be declared using the relevant form (attached):

- a) pre-selection: any prospective Member of Alexandra Palace should complete a declaration of interests form prior to confirmation of appointment in order that any relevant issues may be taken into account in confirming their appointment.
- b) on arrival: every new Member of Alexandra Palace should complete a declaration form (or amend an earlier declaration) at the time of appointment.
- c) Annually: the conflicts of interests should be reviewed and confirmed each year when anything significant changes.

- d) as a new conflict arises: new matters should not await an annual declaration before being notified.
- e) verbally at any meeting where a conflict may arise: conflicts of interest should be a standard agenda item at the beginning of each meeting. Such declaration will be minuted.

This information would be held by the Charity on a register of interests. It will be disclosed to the Board and made available so that the relevant matters can be managed properly.

3.2 What must be disclosed?

The law requires that the nature and scope of any conflict must be disclosed. The disclosure must include sufficient information to enable appropriate decisions to be taken as to its seriousness and its management. This is likely to include: the type of potential conflict, the nature of the activity, a description of all parties involved and their relationship, the potential financial or non-financial interests or benefits, or duties or obligations and any other relevant information.

3.3 Responsibility to declare

- a. This Policy includes examples to assist Members of Alexandra Palace in determining which interests need to be declared. Ultimately, it is not possible to define all the circumstances which may lead to a potential conflict of interest. It is therefore the responsibility of each individual to declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts. Members of Alexandra Palace may seek the advice of the Chair of the APPCT Board and APTL Board, who may seek legal advice as appropriate. If in doubt about any matter, it is always better to make a declaration given the reputational risks to the Charity of being perceived not to have properly managed conflicts.
- b. If anyone becomes aware of a possible conflict of interest, which the relevant person appears not to have considered, they should raise it.
- c. Some personal information about third parties can only be held with their agreement. Generally the limited information needed to declare a conflict will not require such consent. If consent was needed it would be the responsibility of the person providing the information to ensure that this consent is given. Should a third party decline to consent, then it is the responsibility of the Member of Alexandra Palace to nevertheless ensure that a potential conflict is declared. Any declaration where data is held in relation to a third party will be dealt with in a manner consistent with the General Data Protection Regulation.

4. Managing conflicts

- 4.1 Once a conflict has been disclosed it must either be removed or managed. Until the conflict has been resolved in either of these ways, the relevant person should take no part in the matter(s) relating to that interest.
- 4.2 The way in which conflict of interest is managed must be decided by the relevant Board. The Board may delegate elements of this management; normally to the Chair. Generally, the Board will evaluate the level of conflict. This may require further details to be obtained.

The Board may decide that the interest:

- a. is not significant and does not create a real danger of bias or conflict (Category A);
- b. creates a significant but not substantial danger of bias or conflict of duty or might reasonably cause others to think it could influence a decision (Category B);

- c. creates a substantial danger of bias or conflict of duty (Category C); or
- d. creates a severe or substantial and recurring conflict of duty (Category D).

4.3 Once a decision is reached on the severity of the conflict the Board must resolve how it is to be managed. Generally the following will be appropriate:

- a. Category A - the Member must declare the interest but not vote or be counted in the quorum.
- b. Category B - it shall be at the discretion of the Chair or other Members of Alexandra Palace (who do not themselves have an interest in the matter) whether the person declaring the interest may contribute information to the meeting, but that person must not participate in the discussion, or vote on the matter and will not be counted in the quorum for that issue.
- c. Category C - the Member must leave the meeting and not participate in the discussion or vote on the matter. Steps will need to be taken to ensure sensitive information is not available to the Member.
- d. Category D - Other steps will need to be taken to manage the conflict. An example of such a step could include:
 - The Member agreeing to obtain consent from the other party creating the conflict, for example his client or employer, that the Member be relieved of his or her obligation to disclose relevant information to that other party where the information was obtained from or relates to the Charity.
 - Withholding all other papers that relate to the conflict from that Member.
 - The Charity ceasing to undertake the activity giving rise to the conflict.
 - The conflicted Member of Alexandra Palace Board resigns.

4.4 In each case the Board may consider that other steps are necessary. These may include agreeing to relieve the Member of Alexandra Palace of his or her obligation to disclose information obtained elsewhere to the Charity. The Charity might also decide not to continue with the issue or project creating the conflict.

4.5 Once the Board has resolved how to manage a particular conflict that response may be again used on each recurrence of a situation of conflict where the factual background has not changed.

4.6 Members of Alexandra Palace must comply with any provisions in the Charity's governing documents and any policy or other requirement relating to conflicts of interest.

5. **Managing Information**

The Board should endeavour to ensure that Members of the APPCT Board and APT Ltd Board with a conflict of interest is not provided with information in that capacity which enables him or her to obtain any advantage. In particular, the person who is responsible for sending information to the Members of the APPCT Board and Directors of APT Ltd Board prior to a meeting should check the register of interests and take any other reasonable steps to ensure that no information is sent to a Member or Director who may have a significant conflict of interest relating to that information.

6. Recording steps taken

In all cases, in order to protect the interests of the Members of the APPCT Board and Directors of the APTL Board and the Charity, the Charity will keep a record of the disclosure and steps taken to manage the conflict. This should generally be recorded in the minutes.

7. Review

Review of the effectiveness of the policy and compliance with it will be the responsibility of the Chair and reported to the Board for consideration on its self review process.

8. Transparency

This policy will be available to all staff, Members of the APPCT Board and Directors of the APTL Board s and to third parties where appropriate.

9. Verification

The Charity may undertake appropriate steps to verify information provided.

10. Other policies and documents to consider:

- Code of Conduct
- Whistle-blowing Policy
- Gifts and Hospitality Policy
- Board Role Descriptions

Further information:

<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees>

| Date | Version | Author | Amendments |
|------------|---------|----------------|--|
| 15.01.2018 | V2 | Louise Stewart | Formatted in house-style and new declaration form. |
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Alexandra Palace is committed to the fair treatment of its staff, potential staff or users of its services, regardless of race, gender, religion, sexual orientation, responsibilities for dependents, age, physical/mental disability or offending background.

Alexandra Palace

Alexandra Park and Palace Charitable Trust Trustee Board Member Disclosure of Interests Statement

This form should only be completed after having read and understood the Conflict of Interests Policy. Please raise any questions with the APPCT Chair. This form should be returned to the Executive Assistant, APPCT, and will be kept on file

Conflicts of Interest ("Col"): See paras 1 and 2 in Col policy for definitions of Conflicts of Interest and connected persons.

| | |
|------|--|
| Name | |
|------|--|

1. List companies, businesses, charities or other organisations of which you or a person connected to you are involved, for example as a member, director, consultant or adviser or have another role which is relevant for the purpose of determining whether a conflict may exist.

Please provide details of the nature of the connection and state whether each position is remunerated (salary, fees, pensions, honoraria, dividend share option etc)

You:

A connected person:

2. List of companies, charities or organisations in which you or a connected person have directly or indirectly shareholdings or beneficial ownership or other financial interest or expectation of such an interest. Shareholdings of less than 1% of the issued share capital need not be declared. State the nature and extent of the interest.

You:

A connected person:

3. Membership of or roles or activity in professional bodies or associations, campaigning or special interest groups. State the extent and nature of the involvement.

You:

A connected person:

4. Any other potential conflict of which APPCT should be aware e.g. collaborators in academia or industry, involvement with other education-related organisations, political or other pressure groups.

You:

A connected person:

5. Are you or a connected person in receipt of or likely to become in receipt of any benefits, grants, loan or service from the APPCT or any direct or indirect pecuniary benefit from the APPCT other than expenses as a Trustee? If so, provide details.

You:

A connected person:

6. In respect of any interest or potential interest declared are you aware of any circumstances where that interest may result in any transaction, competition or collaboration with the APPCT or where the interest of the APPCT may in any way interact with that interest? If so please provide details

Please refer to attached list of APTL suppliers

You:

A connected person:

7. Any other situations or relationships that might create conflicts that have not been covered above. For example, ownership of land adjoining APPCT property or intellectual or other property rights in the APPCT's area of operation.

You:

A connected person:

8. Is there any further action required by you to identify other potential conflicts? If yes, please summarise concerns and actions below:

DECLARATION

I have entered the required responses to the best of my knowledge and belief.

Signature:

Date:

Additional Information

Full Name (as per passport):

Residential addresses covering the past 4 years, including any time spent abroad:

Date of Birth:

Nationality: