

# **CONFLICT OF INTEREST**



## **POLICY DETAILS**

<b>Policy title:</b>	Conflicts of Interest Policy
<b>Organisation:</b>	The Endeavour Foundation
<b>Policy version number:</b>	1
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<b>Distribution:</b>	Website

## **POLICY REVISION AND APPROVAL HISTORY**

<b>Version</b>	<b>Date of review</b>	<b>Date of next review</b>	<b>Comments</b>	<b>Approved by</b>
1	February 2026	February 2029	New policy	Trustees

## **1. The legal background to conflicts of interest**

Trustees of a charity are under a legal obligation to act in the best interests of the charity and in accordance with its governing document. Trustees should all be aware of conflicts of interest, what they could mean for the organisation and how conflicts of interest should be managed to protect the organisation.

Conflicts of interest may arise where an individual's personal or family interests and/or loyalties to some other individual or group conflicts with those of the charity. Such conflicts may create problems. They can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the charity
- risk the impression that the charity has acted improperly.

The purpose of this policy is to protect both the charity and its Trustees from any appearance of impropriety. This policy applies to all the board of trustees.

## **2. Definition of conflict of interest**

A conflict of interest is any situation in which the personal interests of committee members seem to conflict with those of the organisation which they govern. This personal interest can be direct or indirect, and it can include the interests of parties connected to the Trustee (see definition of connected person below). A direct interest would arise in the following example:

ABC charity wants to contract for catering services and one of the members of the governing body owns a catering company. This member gets the contract. This is a direct interest as the benefit to the committee member is a direct financial benefit.

An indirect interest in the above example would be if the member of the governing body did not own the company but had shares in it and stood to benefit indirectly from any profit made.

It is unlikely that conflicts of interest can be completely avoided but the conflict should be managed to avoid any adverse effect on the organisation and to promote maximum accountability and transparency in the organisation's affairs. Possible conflicts or perceived conflicts should be considered as well as actual conflicts as an organisation's name and reputation are very important.

## **3. Under charity law a connected person includes the following:**

- a child, parent, grandchild, grandparent, brother or sister of the trustee
- the spouse or civil partner of the trustee or of any person listed above
- a person carrying on business in partnership with the trustee or with any person listed above
- an institution which is controlled by the trustee or by any person listed above
- a body corporate in which the trustee or any connected person, listed in any of the first 3 points above, has a substantial interest.

#### **4. The declaration of interests**

Accordingly, Trustees should declare their interests, and any gifts or hospitality received in connection with their role in the charity. They have a personal responsibility to declare conflicts of interest in order to fulfil their legal duty to act only in the best interests of the charity.

A declaration of interests form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur. If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution.

If you would like to discuss this issue, please contact the company secretary or the chairperson for confidential guidance. Interests will be recorded on the charity's register of interests, which will be maintained by the company secretary. The register will be accessible by Trustees and the company secretary.

#### **5. What to do if you face a conflict of interest**

All conflicts of interest, whether actual or potential, should be declared promptly at the earliest possible opportunity:

- Any Trustee who has a financial interest in a matter under discussion should declare the nature of their interest and withdraw from the room, unless they have dispensation to speak.
- If a Trustee has any interest in the matter under discussion, which creates a real danger of bias, that is, the interest affects the organisation which they represent, or a member of their household, more than the generality affected by the decision, they should declare the nature of the interest and withdraw from the room, unless they have dispensation to speak.
- If a Trustee has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if they wish.
- If a Trustee is in any doubt about the application of these rules, they should consult with the chairperson.
- If you fail to declare an interest that is known to the company secretary or the chairperson, the chairperson will declare that interest. Trustees' interests are listed in a register.

#### **6. Recording decisions**

Decisions taken where a Trustee has an interest:

In the event of the Board having to decide upon a question in which a Trustee has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision. Interested parties will not be counted when deciding whether the meeting is quorate. Interested Trustees may not vote on matters affecting their own interests.

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

The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

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

## **7. Data Protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that Trustees act in the best interests of the charity. The information provided will not be used for any other purpose.



Stockton Road  
Middlesbrough  
TS5 4AG



01642 800800



[enquiries@endeavour-academies.org.uk](mailto:enquiries@endeavour-academies.org.uk)  
[endeavour-academies.org.uk/endeavour-foundation/](http://endeavour-academies.org.uk/endeavour-foundation/)