



Conflicts of Interest Policy and Procedures

Ref.	Policy Name	Lead	Date Approved	Next Review
2	Conflicts of Interest Policy and Procedures	CG	09/12/2020	Dec-24

Definition of Conflict of Interest: A Conflict of Interest means “an actual, potential or perceived conflict of interest which arises when a relationship, connection, responsibility, activity, interest, contract or other arrangement, outside CKT could influence or be perceived by others to influence your views or actions within CKT.

Applicability: This policy applies to all CKT’s trustees, volunteers, contractors (including freelance music educators) and other persons or bodies acting on CKT’s behalf.

Individual Obligations Relating to Conflicts of interest: You must:

- a) must read understand and be familiar with this policy;
- b) ensure that decisions or actions at CKT are not influenced by or perceived by others to have been influenced by conflicts of interest
- c) immediately declare in writing any actual potential or perceived conflict of interest as soon as you become aware of them;
- d) consult with the Chair wherever possible before putting yourself into a position of a potential conflict of interest; and
- e) take any appropriate steps, as required by the Board advised by the Chair to manage or resolve a potential conflict of interest.

CKT Obligations Relating to Conflicts of Interest

Declare: Prior to appointment each prospective trustee and volunteer should be asked to declare any conflicts.

In addition to ad hoc updates (which are the primary responsibility of the individual as soon as a conflict emerges), the Secretary should every year pro-actively remind all relevant individuals of the need to pro-actively update their conflicts disclosures

Review: Save where the potential conflict relates to the Chair, the Chair shall first review all potential conflicts of interest and make a recommendation to the Board about the conflict. The board shall ultimately decide what action to take on any conflict taking account of but not necessarily being bound by the Chair’s recommendation.

Where the potential conflict relates to the Chair, the conflict shall be reported via the Trusts secretary to and discussed by the board excluding the Chair. The board shall then inform the Chair of any action which needs to be taken to address the potential conflict.

Act: The conflicts reviewer should use their discretion to decide how best to handle conflicts of interests as and when they arise to ensure the integrity of CKT's decision making process.

Appropriate actions will vary according to the circumstances and could consist of...

- Permitting or not permitting the conflicted person to take part in the relevant meetings, discussions or decisions.
- Arranging for the conflicted persons not to perform specific tasks in relation to the organisation with whom the conflict of interest occurs.
- Take legal advice and/or refer the matter to a legally qualified member of the board.
- Defer a decision pending advice from the Charity Commission.
- Ask the conflicted person to resign from his or her position.

Record: The Secretary shall maintain a record of all conflict disclosures and actions made for a period of 10 years after the disclosure

Related Party Transactions: The Trust is required to declare all "related party" transactions in its annual report. Any such transactions which will include transactions with family members as well as trustees should be discussed in the board and will almost certainly trigger conflict of interest rules and procedures.

Additional Rules on Trustees Potential Conflicts and Benefits and Payments to Directors in the CKT Articles

Declarations of a conflict interest should be a standing item on the Trustee Board Meeting's agenda.

Article 7 of CKT's articles of contain specific provisions mandated by the Charity Commission around conflicts of interest. These are mandatory, are in addition to and if inconsistent override other requirements of the policy. The relevant articles are set out for ease of reference in the Appendix.

In essence the Articles require a Director to a) declare the nature and extent of any interest, direct or indirect, which he has in a proposed transaction or arrangement with the Charity b) absent himself or herself from that part of the meeting when a decision is taken about a matter in which a Director has a possible conflict of interest and c) they set out the circumstances in which the Board may authorize a conflict of interest. Note that the Chair has discretion whether or not a trustee can take part in an initial board discussion where there is a potential conflict in order to allow him to make his views known but there should always be a subsequent discussion and decision without the trustee being present.

The receipt of benefits or payments by directors may also involve conflicts of interest. Article 6 of CKT's Articles (which can be found in the Appendix) sets out when such benefits and payments are and are not permitted. Again, these provisions are mandated by the Charity Commission.

APPENDIX

Provisions in CKT Articles Relevant to Trustees Conflict of Interest and Benefits and Payments to Charity Trustees and Connected Persons

Conflicts of interest and conflicts of loyalty

A charity trustee must:

- a) 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
- b) 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.

Benefits and payments to charity trustees and connected persons

1. General provisions

No charity trustee or connected person may:

- a) buy or receive any goods or services from the CIO on terms preferential to those applicable to members of the public;
- b) sell goods, services, or any interest in land to the CIO;
- c) be employed by, or receive any remuneration from, the CIO;
- d) receive any other financial benefit from the CIO;

unless the payment or benefit is permitted by sub-clause 2 of this clause or authorised by the court or the prior written consent of the Charity Commission ("the Commission") has been obtained. In this clause, a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

2. Scope and powers permitting trustees' or connected persons' benefits

- a) A charity trustee or connected person may receive a benefit from the CIO as a beneficiary of the CIO provided that a majority of the trustees do not benefit in this way.
- b) A charity trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the CIO where that is permitted in accordance with, and subject to the conditions in, sections 185 to 188 of the Charities Act 2011.
- c) Subject to sub-clause 3 of this clause a charity trustee or connected person may provide the CIO with goods that are not supplied in connection with services provided to the CIO by the charity trustee or connected person.
- d) A charity trustee or connected person may receive interest on money lent to the CIO at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

- e) A charity trustee or connected person may receive rent for premises let by the trustee or connected person to the CIO. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- f) A charity trustee or connected person may take part in the normal trading and fundraising activities of the CIO on the same terms as members of the public.

3. Payment for supply of goods only – controls

The CIO and its charity trustees may only rely upon the authority provided by sub-clause 2.c) of this clause if each of the following conditions is satisfied:

- a) The amount or maximum amount of the payment for the goods is set out in a written agreement between the CIO and the charity trustee or connected person supplying the goods (“the supplier”).
- b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question
- c) The other charity trustees are satisfied that it is in the best interests of the CIO to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.
- d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the CIO.
- e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.
- f) The reason for their decision is recorded by the charity trustees in the minute book.
- g) A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 0.

4. In sub-clauses 2 and 3 of this clause:

- a) “the CIO” includes any company in which the CIO:
 - i) holds more than 50% of the shares; or
 - ii) controls more than 50% of the voting rights attached to the shares; or
 - iii) has the right to appoint one or more directors to the board of the company;
- b) “connected person” includes any person within the definition set out in clause **Error! Reference source not found.** (Interpretation);

End.