



# Chorlton Community Land Trust

## Conflict of Interests Policy

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### Introduction

Board members and co-optees have a legal obligation to act in the best interests of Chorlton Community Land Trust (referred to below as CCLT or the CLT), and in accordance with the [Rules](#) and Code of Conduct. Rules D16 to D26 (inclusive) are relevant to Board Members' interests.

The Chorlton Community Land Trust Board recognise the importance of ensuring integrity, both financial and moral, in all aspects of CCLT work. This includes ensuring that Board members and cooptees do not use any involvement they may have in other organisations to influence, whether positively or negatively, any decisions they make about CCLT. Their paramount duty is to act in the best interests of CCLT at all times.

The use of transparent mechanisms to manage conflicts of interest, thereby ensuring integrity in all actions and decisions, is vital in order to protect both the CCLT and individuals.

In the remainder of this document 'board members' is used to refer to Board members and co-optees.

### Financial interests

No Board member shall have any financial interest in any contract or other transaction with the CLT or with any other group member, or be granted a benefit by the CLT, unless such interest or benefit:

- is expressly permitted by these rules or under any determination or guidance by the registrar from time to time; or
- would not be in breach of or inconsistent with, any determination, guidance, standard or code published by the registrar or any code of conduct and/or governance adopted by the Board (see Rule D16).

The CLT registrar is the Financial Conduct Authority (FCA).

Notwithstanding the above the CLT may:

1. pay properly authorised expenses to board members when actually incurred on the CLT's business;



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2. pay insurance premiums in respect of insurance taken out to insure officers and employees;
3. pay reasonable remuneration, fees, allowances or recompense for loss of earnings to Board members; and
4. grant reasonable and proper benefits to Board Members, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the Board from time to time (see Rule D23).
5. have a chief executive appointed by the Board. The chief executive shall be appointed with a written and signed contract of employment, which shall include a clear statement of the duties of the chief executive (see Rule E6).
6. (shall) have a secretary who shall be appointed by the Board and who may be an employee. The Board may also appoint a deputy secretary (who may also be an employee) to act as secretary in the secretary's absence. The secretary's duties will be clearly set out in writing and agreed by the Board (see Rule E7).
7. may designate as officers such other executives, internal auditor and staff of the CLT on such terms (including pay) as it from time to time decides (see Rule E8 and Rule G15.14).

The provisions above cover those instances, where Board members can receive financial remuneration, that are expressly permitted by the Rules.

### **Interest as a resident of the CCLT**

The Rules give specific instances where being a resident of the CCLT is deemed not to have an interest for the purpose of specific rules. The rules state:

*Board Members who are residents of the CLT or any other group member shall be deemed not to have an interest in any decision affecting all or a substantial group of residents of the CLT. (See Rule D25)*

*The grant of a tenancy, licence or lease by the CLT or by any other group member at the direction of another body or on a basis which is consistent with any applicable guidance, determination, standard or code of practice of the Regulator (or any code of conduct and/or*



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*governance of the Board from time to time, adopted by the Board) to a Board Member is not (deemed to be) the grant of a benefit. (See Rule D26)*

Under the term “resident” CCLT include owners who may be paying for the upkeep of land and the provision of other services though a covenant or service charge.

### **Potential Conflicts of Interest**

Conflicts of interest may arise where a board member’s personal or family interests and/or loyalties conflict with those of CCLT; such conflicts can inhibit free discussion, result in decisions that are not in CCLT best interests and/or risk the impression that CCLT has acted improperly.

Examples of potential conflicts of interest may be where an individual:

- is a director, officer or member of a company which trades with, or intends to trade with, the CCLT
- is an official or elected member of any organisation which may be involved with decisions that impact on the CLT
- is paid for any services/transactions unless expressly permitted by the CCLT under its rules

### **Declaring interests**

As per Rule D21, every board member shall ensure that the Secretary at all times has a list of:

- all other bodies in which they have an interest as:
  - a director or officer or
  - a member of a firm or
  - an official or elected member of any statutory body or
  - the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company;
- any property owned or managed by the CLT which they occupy; or



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- any other significant or material interest

CCLT additionally ask that the Secretary is informed of involvement with any organisation which may be involved with decisions that impact on the CLT.

CCLT Rules state that:

*Any Board member, having an interest in any arrangement between the CLT and someone else shall disclose their interest before the matter is discussed by the Board or any committee. Unless it is expressly permitted by these rules, they shall not have any vote on the matter in question. (See Rule D17)*

### **Register of Interests**

The Secretary will maintain an up to date Register of Interests.

In addition to updating the Secretary on any new interests when they arise the CCLT Board members must also declare, on an annual basis, any organisations of which they are a member, or in which they hold a position of general control, management or influence. This declaration will be required immediately following the Annual General Meeting, and the results will be collated into a Register of Interests which will be available for inspection at all CCLT meetings.

### **Conflicts of Interest in meetings**

The Chair will remind CCLT Board members about their obligations in respect of potential conflicts of interest at the start of each CCLT meeting.

It is the responsibility of individual Board members to make a judgement about whether a connection elsewhere creates a conflict of interest with any given issue on a CCLT agenda, and to openly declare the potential conflict of interest.

This should be done by making the Chair aware of any such issues prior to the start of CCLT meetings, and by publicly declaring the possible conflict of interest at the start of the relevant item.



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Unless it is expressly permitted by these rules, they shall not remain present (unless requested to do so by the Board or committee), and they shall not have any vote on the matter in question.

If a question arises at a meeting of Board members or of a committee of Board members as to the right of a Board member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair, whose ruling in relation to any Board Member other than the chair is to be final and conclusive (see Rule D18).

If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair or Chair of the committee, the question is to be decided by a decision of the Board members or members of that committee at that meeting, for which purpose the Chair or Chair of the committee is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes (see Rule D19).

Any decision of the Board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared (see Rule D20).

If it is the Chair who declares an interest, the chair shall be passed for that item to another Board member with no potential conflict of interest.

### **Consequences if interests are not declared**

A conflict of interest which is not managed properly, and which leads to a financial benefit to the Board member, may lead to allegations of breach of trust and criminal proceedings.

The non-declaration of an interest also run the risk of decisions not being made in the best interest of the CCLT, or the impression of this being the case; thus, damaging the reputation of CCLT.

Sanctions against individuals are available through the Rules which state:

*If requested by a majority of the Board or members of a committee at a meeting convened specially for the purpose, a Board Member failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time as the Board directs. (See Rule D22)*



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Agreed by Board on	27 September 2022
Chair	Simon Hooton
Secretary	Sian Richards
Previous Versions	27 August 2019
Next review	November 2023