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## Conflict of Interest Policy

### 1. Introduction

Conflicts of interest affect all charities; they can lead to decisions that are not in the best interests of the charity and which are invalid or open to challenge. Conflicts of interest can also damage reputation or public trust, so it is essential that RTPI promotes and complies with best practice.

### 2. Scope

This policy applies to Trustees, standing committee and board sub-committee members, National and Regional committees, the Senior Executive Team (SET) and RTPI colleagues with purchasing or expenditure authority of over £5,000

### 3. Purpose

Trustees have a legal and personal obligation to act in the best interests of RTPI, in accordance with the RTPI's governing documents, and in compliance with the Trustee Act 2000.

RTPI colleagues and volunteers have similar obligations to avoid situations where there may be a potential conflict of interest, and to declare potential conflicts of interest, in order to fulfil their legal duty to act only in the best interests of the RTPI.

This document aims to provide clarity and guidance to assist Trustees and colleagues in fulfilling their responsibilities in relation to conflicts of interest and declarations of interest.

The policy aims to protect both the RTPI and the individuals involved from any appearance of impropriety.

### 4. Expectations and Legal Obligations

Trustees have a legal duty to act in the best interests of the RTPI, and in accordance with our governing documents. Staff and volunteers have similar obligations and are also expected to comply with this policy.

Trustees have a legal obligation under the Trustee Act 2000 to act only in the best interests of the charity. The Charity Commission expects them to take appropriate steps in line with this.

The Charity and Trustee Investment (Scotland) Act 2005 and the Scottish Charity Regulator (OSCR) expects Trustees to manage any conflicts of interest.

The Institute's governing documents require Trustees to exercise their powers only in furtherance of the objectives of the Institute and in accordance with the Institute's [Charter](#) and [Bye-laws](#). These governing documents also lay down rules for the conduct of Trustees including how conflicts of interest should be dealt with.

Our [Royal Charter](#) specifies that 'no Trustee shall be appointed to any office of the Chartered Institute paid by salary or fees or receive remuneration from the Chartered Institute' unless 'as an examiner, assessor or invigilator at or in connection with examinations of the Chartered Institute' and further conditions are specified in these circumstances. Reasonable expenses can be claimed in line with the Expenses Policy.

The Charity Commission guidance states that to act only in the best interests of the charity, Trustees must not put themselves in a position where their duties as a Trustee may conflict with a personal interest. The guidance suggests using the following steps;

- **Identify:** Individual Trustees have a responsibility to declare conflicts of interest that affect them, and the Institute should have in place strong systems to identify conflicts of interest.
- **Prevent:** Trustees must consider the issue of the conflict of interest so that the effect on decision making is eliminated. A particular course of action can be avoided, or the conflict removed altogether.
- **Record:** Trustees should record conflicts of interest and how they have been handled and where permitted trustee benefits should be disclosed.

If a Trustee fails to act properly where there is a conflict of interest it is a breach of Trustee's legal responsibilities. A transaction affected could be challenged by the Charity Commission or by an interested party. In some circumstances the transaction may be unsafe and capable of being invalidated or, in the worst case, might be void from the start. Where a Trustee has not acted properly, they may have to repay any sums paid by the charity or make up a loss to the charity.

The regulatory consequences of a decision which is subject to a conflict of interest largely depend on the nature and severity of the conflict, its impact on the charity, and the ability of the trustees to remedy the situation and operate in line with their duties. The Charity Commission will intervene where it has concerns about trustee misconduct or mismanagement or if there is a risk to charity property.

## 5. Types of Conflicts of Interest

A conflict of interest is any situation where there is a potential for your personal interests, business interests or interests of someone you are connected with to be different from the interests of the RTPI.

When these situations arise, it may be difficult to make an impartial decision.

Such conflicts can:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of the RTPI; and
- risk giving the impression that the RTPI has acted inappropriately.

## 6. Measures to prevent conflicts of interest

### 6.1. Declarations of Interest

Trustees, standing committee and board sub-committee members, National and regional committees, SET and RTPI staff with purchasing or expenditure authority of over £5,000 are required to complete a Declaration of Interests form on at least an annual basis. The form should also be resubmitted when any changes occur such as a change of employer.

This enables the RTPI to hold a register of interests and anticipate when a potential conflict may arise for particular agenda items. This is not a fail-safe process, so it is important that individuals always raise potential conflicts at the time as well.

The Declaration of Interest form also asks for details of gifts and hospitality, over the value of £20, in relation to your role with the RTPI, whether declined or accepted and not already declared. Please refer to the separate Gifts and Hospitality policy for guidance.

Trustees and SET will not be permitted to join board of Trustee meetings until an up-to-date Declaration of Interest form has been completed and received by the Governance department.

## 7. What to do if you may have a conflict of interest

In the course of meetings, Trustees, committee members and senior colleagues will disclose any interests in a decision where there may be a conflict between the RTPI's best interests and the best interests of a RTPI colleague, Trustee or committee member.

If you identify a possible conflict of interest when looking at a meeting agenda, raise this potential conflict at the earliest opportunity either with the Chair or with a member of the Governance team.

There will also be an opportunity at the start of meetings to raise any possible conflicts.

If you become aware of a possible conflict during a meeting, you must raise it as soon as possible.

If in doubt, raise the matter.

The Chair of the meeting will decide whether it is appropriate for you to leave the meeting for that item (the most likely option) or to be present but abstain from any decision making.

If you fail to declare an interest that is known to the Chair of the meeting, the Chair will declare that interest on your behalf.

You don't have to be part of a meeting to have a possible conflict of interest. For example, you may be involved in decision making about awarding a contract where there is a possible conflict, or you may have access to reports about a matter where you have a possible conflict of interest. It is important to raise a possible conflict whenever a situation arises. If you're not sure who to raise it with please get in touch with the Governance Team.

You may participate in discussions from which you may indirectly benefit, for example where the benefits are universal to all users or where your benefit is minimal e.g. Trustees consider and agree the annual RTPI membership subscription rates.

## 8. Data Protection

The information provided relating to potential conflicts of interest will be processed in accordance with data protection principles as set out in the Data Protection Act 2018, the GDPR and RTPI Data Protection Policy. Data will be processed only to ensure that Trustees, committee members and RTPI colleagues act in the best interests of The Royal Town Planning Institute. The information will not be used for any other purposes.

## 9. Decisions taken where a conflict of interest has been declared

In the event of the Board of Trustees or a committee having to decide upon a question in which a Trustee, committee member or member of staff 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 Board (or committee) members may not vote on matters affecting their own interests.

All decisions under a conflict of interest recorded by the minute taker and reported in the minutes of the meetings.

The report will record:

- the nature and extent of the conflict;
- who or what it affected;
- when it was declared; and
- the actions taken to manage the conflict.

Where a trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities Statement of Recommended Practice (SORP).

All payments or benefits in kind to Trustees will be reported in the accounts and annual report, with amounts for each Trustee listed for the year in question.

Where a member of RTPI staff is connected to a party involved in the supply of a service or product to the charity, this information will also be fully disclosed in the annual report and accounts.

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

## 10. Managing Contracts

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is deemed unsatisfactory.

## **11. MRTPI Chartered Members**

The responsibilities in this policy are in addition to those contained within the Code of Professional Conduct for Chartered Town Planners which applies to Trustees, committee members and staff who are members of The Royal Town Planning Institute.