

Burton Memorial Hall

CONFLICT OF INTEREST POLICY

1 – INTRODUCTION

The Trustees and Management Committee of Burton Memorial Hall recognise that it is possible that a conflict of interest may arise during decision-making about the operation of the Hall.

Trustees' and Committee Members' personal and professional connections can bring benefits to the work of a charity and they often form part of the reason why an individual has joined the Committee. However, they can give rise to conflicts of interest, to which the Committee must respond effectively.

The existence of a conflict of interest does not reflect on the integrity of the affected trustee, so long as it is properly addressed. In accordance with Charity Commission requirements, this Policy exists to ensure that the Management Committee is able to both identify, prevent, and record its management of conflicts of interest.

The Policy is based on the guidance issued by the Charity Commission, full details of which can be found here: <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees>

Nothing in this Policy prevents individual Committee Members from effectively representing the interests of any community or other Hall user group that they were appointed to the Committee to represent.

2 – WHAT IS A CONFLICT OF INTEREST?

A conflict of interest is any situation in which a trustee or committee member's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity.

A conflict of interest exists even where there is the possibility that a trustee's personal or wider interests could influence the trustee's decision making. Even the perception that there is a conflict of interest can damage the charity. Where the perception is not accurate because there is no conflict of interest, the trustees should always be able to respond appropriately to the situation by managing the risks to the charity and being prepared to explain how they have made their decisions only in the best interests of the charity.

Conflicts of interest relate to a trustee's personal interests and the interests of those connected to them. This means that there is a conflict of interest where there is a proposed transaction between

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the charity and a connected person. Similarly, there is a conflict of interest where there is a benefit or a potential benefit to a connected person.

Conflicts of interest usually arise where either:

- there is a potential financial or measurable benefit directly to a trustee, or indirectly through a connected person
- a trustee's duty to the charity may compete with a duty or loyalty they owe to another organisation or person

Where there is a potential trustee or committee member benefit, it is important to remember that there are 2 issues which the must be addressed:

- acting only in the best interests of the charity to prevent the conflict of interest associated with the trustee benefit from affecting decision making
- ensuring that there is an appropriate authority in place before any decision conferring trustee benefit is made

Examples of such conflicts of interest are as follows:

Financial or measurable benefit

A charity has some empty office space and its trustees are considering letting it to a company owned by one of the trustees. This would be a trustee benefit: it would involve a transaction with a business owned by a trustee. The trustees can only proceed with the transaction once they have a proper authority for the trustee benefit: in cases which involve a property transaction with a connected person, the trustees must get authorisation from the Commission and comply with the conditions in the Charities Act 2011 before proceeding.

Duty or Loyalty Conflicts

An individual is a trustee for 2 charities planning to bid for the same service provision contract. This conflict of interest is a loyalty conflict. It doesn't involve benefit to the trustee, but her decision at either charity could be influenced by her knowledge of and duty to the other charity. This means that she cannot fulfil her duty to either charity to make decisions only in its best interests.

Trustees' and Committee Members' other interests and loyalties can generate conflicts of interest from time to time, some of which pose a minor risk to the charity and some of which are more serious. The trustees may decide that where a conflict of loyalty poses no risk or a low risk to decision

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making in the best interests of the charity, the affected trustee, having declared their other interest, can participate in decision making.

3. IDENTIFYING CONFLICTS OF INTEREST

- 3.1. All Trustees and Committee Members of Burton Memorial Hall 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.
- 3.2. Each Trustee and Committee Member must declare any relevant interests to be recorded in the 'Register of Interests' maintained by the Chair and Secretary. These should include any business or personal interests for themselves and/or for any spouse, partner, family and close relatives.
- 3.3. The 'Register of Interests' will be reviewed and updated not less than annually.
- 3.4. Each person nominated for the Management Committee should declare relevant interests as part of their application, so that the Committee can consider if any interest should potentially disbar the applicant
- 3.5. At each meeting of the Management Committee the Chair shall ask all attendees if there are any conflicts of interest to be declared in relation to the matters listed on the Agenda. This to take place before any business is discussed.
- 3.6. A trustee or Committee member should declare any interest which he or she has in an item to be discussed, at the earliest possible opportunity and certainly before any discussion of the item itself. If they are uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other trustees.
- 3.7. If, during the conduct of the meeting, any Committee member becomes aware of a potential conflict of interest they must immediately declare it; so that the Committee can assess how it should be addressed.
- 3.8. If a trustee or Committee member is aware of an undeclared conflict of interest affecting another trustee, they should notify the other trustees or the chair.
- 3.9. When a conflict of interest is declared, and/or when the Chair considers that one may arise in view of information contained within the 'Register of Interests' the Committee will follow the procedure for avoiding and recording conflicts of interest as set out in sections 4 and 5.

4. PROCEDURE FOR AVOIDING CONFLICTS OF INTEREST

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- 4.1. Whenever a conflict of interest arises the Committee will carefully consider it to assess whether it is a serious conflict of interest. Serious conflicts of interest include, but are not limited to, those which:
 - are so acute or extensive that the trustees are unable to make their decisions in the best interests of the charity, or could be seen to be unable to do so
 - are present in significant or high risk decisions of the trustees
 - mean that effective decision making is regularly undermined or cannot be managed in accordance with the required or best practice approach
 - are associated with inappropriate trustee benefit
- 4.2. If the Committee determines that a serious conflict of interest has arisen they will ask the member(s) involved in the conflict to withdraw from the meeting so that the remaining Committee members can hold a preliminary discussion. This discussion will be limited to considering the detail of Charity Commission guidance as to the options available to the Committee for either removing the conflict, seeking independent advice on the matter, or applying to the Charity Commission for authorisation to proceed.
- 4.3. If the Committee determines that the conflict of interest is not 'serious', then it may decide to proceed without 'removal' of the conflict but will nevertheless ensure that appropriate action is taken to ensure that any decisions are only made in the best interests of the charity.
- 4.4. The Committee will ensure that any decision related to the conflict of interest is taken with due regard to the governing documents of the charity, its purposes and its intended benefit.
- 4.5. Where the conflict is not 'serious', and there are no other legal or governing document restrictions on the management of the conflict, the Committee will take the following approach if a financial benefit to a Committee member is involved:
 - 4.5.1. Any Committee member potentially benefiting from the decision shall remove themselves from the meeting and discussion before it commences
 - 4.5.2. The individual(s) shall not vote on the matter, nor be counted as an attendee for the purposes of deciding that the meeting is quorate.
- 4.6. Where the conflict is not 'serious', and there are no other legal or governing document restrictions on the management of the conflict, the Committee will take the following approach if a conflict of loyalty is involved and the Committee member does not stand to benefit:

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4.6.1. The Committee will decide on a case by case basis what approach to managing the conflict is appropriate. This will include deciding whether the affected individual can remain in the meeting for the discussion, and whether they may cast a vote on the matter.

4.6.2. In making a decision as set out in 4.6.1 the Committee must have regard to;

- any relevant terms of the charity's governing documents,
- the need to make decisions only in the best interests of the charity,
- the reputation of the charity and any public impression that may be created
- the need to ensure free discussion and fair decision making.

5. RECORDING CONFLICTS OF INTEREST

All conflicts of interest, and how they were managed, will be recorded fully in the records of the Management Committee, usually by the mechanism of the Minutes of Committee meetings. Where appropriate a report on the conflict of interest and how it was managed may be prepared and recorded as an appendix to the relevant Committee meeting minutes.

The record of the conflict of interest will include the following information:

- the nature of the conflict
- which trustee or trustees were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the trustees took the decision in the best interests of the charity

If the conflict of interest involves any financial payment to a Committee member, or to an organisation in which they (or a family member) have a personal interest, such payments will be fully declared in the annual accounts of the Memorial Hall.

Date policy adopted by the Management Committee 26th October 2021