

Ferring Village Hall (Charity No. 1167736)

Conflicts of Interest Policy

1. Introduction

- 1.1 Ferring Village Hall (the 'Charity') is a registered charity whose objects are to run a village hall and to promote for the benefit of the inhabitants of Ferring without distinction of sex, sexual orientation, age, disability, nationality, race or political, religious or other opinions the provision of facilities for recreation and leisure.
- 1.2 The Charity and its property are administered and managed by appointed Trustees (the "Trustees"). The Trustees are mindful that they have a legal obligation to act in the best interests of the Charity and to ensure that the Charity's affairs are not affected by private interest or by any competing duties of loyalty owed to others.
- 1.3 The aim of this policy is to ensure that, where a conflict of interest or duty arises or might arise, the situation is dealt with openly, constructively and in the best interests of the Charity.
- 1.4 It is the personal responsibility of every Trustee to ensure that they have read and understood the policy and that they act in accordance with it.
- 1.5 In this policy, the term 'Connected Persons' has the meaning set out in the Charities Act 2011. This includes family members, institutions controlled by connected persons and bodies in which connected persons have a substantial interest.¹

2. Identifying conflicts of interest or duty

- 2.1 The Charity Commission has produced guidance on identifying and dealing with conflicts of interest or duty. For ease of reference, this is set out in **Schedule 1** to this policy.
- 2.2 All aspects of the operation of the Charity, not just decision-making, may be affected by conflicts of interest. Therefore, this policy governs every aspect of the affairs of the Charity, from consideration of matters by the Trustees to liaison with organisations and individuals who are beneficiaries of the Charity.
- 2.3 Different types of conflicts of interest may arise in relation to different aspects of the Charity's affairs, as follows:
- 2.3.1 Conflicting **personal financial interests** arise where there is an opportunity for personal financial gain or material benefit, directly or indirectly, to be derived by a Trustee or a Connected Person.
- 2.3.2 Conflicting **loyalties** arise where:
- (a) a Trustee has a relationship with a party that is affected by a decision made by the Charity, which may, therefore, be perceived to affect their judgement.

¹Please see the full definition at sections 118, 188, 350, 351 and 352 Charities Act 2011.

- (b) there is an opportunity for direct or indirect benefit to be derived by others with whom a Trustee is associated, including close family members, employers and work colleagues. An example would be offering paid work to a family member of a Trustee .
- (c) through his or her role with the Charity, a Trustee is in a position, or has access to information, that could potentially be of advantage to them in any other capacity.

3. Declaration of interests

- 3.1 All current Trustees are required to complete the Charity's Declaration of Interests form. New Trustees will be required to complete the Charity's Declaration of Interests form on appointment (a copy of the form is set out in Schedule 2 to this policy). Trustees must disclose any matters where potential conflicts of interest might arise, including details of employment, other directorships, trusteeships and roles, and those of close family members.
- 3.2 All Trustees should advise the Secretary as and when changes occur and may then be asked to update their Declaration.
- 3.3 At the start of all Trustee or sub-committee meetings, the Chairman will ask for a declaration of actual or potential conflicts of interest, gifts or hospitality. Any such matter declared shall be recorded in the Minutes of the matter under review. In the event that a conflict of interest only becomes apparent during discussion on a matter, the conflicted person must declare the conflict as soon as it becomes apparent. In cases of doubt, they should err in favour of declaring the interest concerned. The responsibility lies, at all times, with each individual Trustee to declare any conflict of interest they may have. The procedure below for management of conflicts at a meeting should then be followed.
- 3.4 The Secretary will maintain a Record of Trustee Conflicts of Interests, which will record:
 - The nature of the conflict;
 - who or what it affected;
 - when it was declared;
 - how it was managed by the Charity; and
 - whether it is still current

4. Procedures at meetings and managing conflicts of interest

- 4.1 When a conflict is declared at a meeting, the following procedure must be followed:
 - (a) the Trustee declaring the conflict must withdraw from the meeting for the relevant item after providing any information requested
 - (b) the Trustee concerned must not be counted in the quorum for that part of the meeting
 - (c) the Trustee concerned shall have no vote on the matter and must remain absent during the vote
- 4.2 Under the statutory provisions in sections 185-188 Charities Act 2011, a Trustee or a Connected Person may enter into a contract to supply goods or services to the Charity as long as the procedure in clause 4.1 above is followed and all of the following apply:
 - (a) the contract is in writing and states the maximum to be paid by the Charity;

- (b) the goods or services are actually required by the Charity and the Trustees decide that it is in the best interests of the Charity to enter into such a contract; and
- (c) the nature and level of the remuneration is no more than is reasonable in relation to the goods and services

4.3 If the Trustee concerned or a close family member is to receive any payment or material benefit that is not authorised in the Charity's Constitution or under the Charities Act 2011 (for example, paid employment by the Charity), the Charity Commission's prior consent to the transaction must be obtained; the non-conflicted Trustees cannot authorise such a transaction and should take professional advice if in doubt.

4.4 Where a Trustee makes a personal booking for use of the Charity's hire facilities, the Trustee will be required to pay for the booking at the regular hirer rate. The Trustee may not be required to pay a deposit but will nonetheless remain liable for any loss or damage caused in accordance with the Charity's hire terms and conditions.

5. Data protection

Any personal information provided will be processed in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation and any subsequent UK legislation or regulations covering data protection.

6. Review

This policy shall be circulated to all Trustees for information and review annually.

Approved by the Trustees on 15 March 2023

SCHEDULE 1

Charity Commission Guidance on Managing Conflicts of Interest

As a trustee you must make decisions based only on what's best for your charity. Do not allow your personal interests, or the interests of people or organisations connected to you, to influence these decisions.

Identify conflicts of interest - there are 2 common types of conflict of interest: financial conflicts and loyalty conflicts.

Financial conflicts - these conflicts happen when a trustee, or person or organisation connected to them, could get money or something else of value from a trustee decision. They do not include a trustee's expenses – for example, for going to a charity meeting.

Some common examples

Financial conflicts for a trustee happen if your charity is deciding whether to:

- pay the trustee for doing their trustee role (more than their expenses)
- employ or pay the trustee, or their relative, for some work at your charity, or its trading company

- sell, loan or lease charity assets (land or anything else the charity owns) to the trustee
- buy, borrow or lease charity assets from the trustee
- buy goods from a business owned by the trustee

It still counts as a conflict, even if your charity would get a good deal for its money.

Loyalty conflicts - these conflicts are not about money or other trustee benefits. They happen when, for other reasons, a trustee might not be able to make decisions that are best for the charity.

Some common examples

They can happen if the charity's decision involves a person or organisation linked to a trustee. For example:

- the trustee's employer
- another charity where they are a trustee
- the organisation that appointed them as a trustee
- their relatives or friends

There can be a conflict because the trustee's responsibility (or loyalty) to the other organisation or person could compete with their responsibility to the charity.

Conflicts can affect all types of charities. But you must identify and deal with them properly. All of you must do this, not just the trustee with the conflict. Otherwise, you will not meet your joint legal responsibility to make decisions:

- based only on what's best for your charity
- without influence from your personal interests

Follow these 4 steps.

1. Declare conflicts of interest

You must tell the other trustees if you personally have a conflict of interest. Do this early, before discussions or decisions happen.

Do not ignore something that might be a conflict for you or another trustee. Talk to the other trustees if you're unsure.

You and the other trustees should:

- identify and declare conflicts at the start of meetings - have this as a standard agenda item
- keep and update a register of interests

Follow a conflicts of interest policy - follow any rules in your charity's governing document about conflicts of interest.

You should also set a policy to tell trustees:

- when conflicts of interest commonly happen

- how to declare them
- what all of the trustees need to do about them

Review your policy regularly and discuss it with new trustees.

2. Consider removing conflicts of interest

As trustees you have to take action to stop the conflict from affecting your decision.

What you need to do depends on your situation, but you must decide based only on what is in the best interests of your charity.

You must consider if it is best for the charity to remove the conflict. This is particularly important if it is a [serious conflict](#).

If you decide that you do not need to remove the conflict, you must prevent it from affecting your decision in a different way. Use the following steps to manage it.

3. Manage conflicts of interest

Check that any trustee payments or benefits are authorised

You must not allow a trustee - or organisations or people connected to them - to benefit from your charity, unless it's allowed by (any of the following):

- rules in your charity's governing document
- the law
- the Charity Commission or the Court

[Check the rules before you decide to pay or benefit a trustee](#): you may have to repay your charity if you do not follow them.

You must [get Commission agreement before your charity sells or leases land to a trustee](#) (or connected people or organisations).

Even if a trustee benefit is allowed, you still have to strictly manage the conflict of interest.

Follow any specific rules on managing the conflict

Check and follow:

- your charity's governing document
- any directions from the Commission, for example if we have given your charity permission to benefit a trustee
- other legal rules that apply to your charity

If you do not have any of these rules to follow, make sure your charity sets some before you make a decision affected by a conflict of interest.

As a minimum, the rules should require that the conflicted trustee:

- leaves relevant discussions
- does not take part in the decision or vote
- is not counted in the quorum

You and the other trustees are legally responsible for making sure you manage the conflict by following the right process.

4. **Keep a record of conflicts of interest**

Record:

- what the conflict was
- who or what it affected
- when it was declared
- how you managed it

This will help to show that you have acted properly.

What to do about serious conflicts of interest

Common examples of serious conflicts are where:

- a majority of you have a conflict
- there is a single trustee, for example, a company or local authority and they have a commercial interest in the charity decision
- your decision involves significant money or risk, and there is a conflict

In these types of situations, consider these options.

Can you remove the conflict? Consider:

- changing your plan
- asking a conflicted trustee to resign
- deciding not to appoint a conflicted person

Can you appoint additional trustees not affected by the conflict?

Take legal advice if you're unsure. Your charity can pay for this when taking advice for the charity only.

Consider if you need to ask the Commission to authorise your decision in very high-risk cases.

Always follow our [more detailed guidance on conflicts of interest](#) in complex or serious cases. These are where you cannot make your decision in the best interests of the charity, or it could look like that to people outside your charity.

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SCHEDULE 2

**Ferring Village Hall (Charity No. 1167736)
Declaration of Interests Form**

Category	Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Any contractual relationship with the Charity.	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to review the accuracy of and update as often as necessary the information provided. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Full Name

Signed

Date.....