

FYFIELD VILLAGE HALL

CONFLICTS OF INTEREST POLICY

Trustees have a legal duty to act only in the best interests of their charity. They must not put themselves in any position where their duties as trustee may conflict with any personal interest they may have. This policy is intended to ensure that trustees of Fyfield Village Hall ('FVH') identify, prevent and record conflicts of interest. In summary, trustees must:

IDENTIFY the conflict of interest

Trustees each have an individual personal responsibility to declare conflicts of interest.

PREVENT the conflict of interest from affecting the decision

Trustees must make their decisions only in the best interests of the charity. This means that they must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated.

RECORD conflicts of interest

Trustees should formally record any conflicts of interest and how they were handled. Any trustee benefits must be recorded in FVH's annual accounts.

Identifying a conflict of interest

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

Conflicts of interest include where either:

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

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 could damage FVH.

Examples of conflict of interest include where FVH is considering whether to:

- sell, loan or lease FVH assets to a trustee (or a connected person)
- acquire, borrow or lease assets from a trustee (or a connected person) for FVH
- pay a trustee (or a connected person) for providing goods or a service to the charity. Services includes eg legal, accountancy or consultancy services through to painting or decorating or any other maintenance work
- enter into an arrangement or agreement with any organisation or person to which a trustee has a legal obligation or duty

Ultimately, it is not possible to define all the circumstances which may lead to a potential conflict of interest. It is the responsibility of each individual trustee to declare any matters which he or she feels may present actual or potential conflicts, or the perception of such conflicts. If in doubt, it is better to make a declaration.

Preventing a conflict of interest from affecting decisions

A trustee should declare any interest which he or she has in an item to be discussed at the earliest possible opportunity and before any discussion of the item itself. If a trustee is aware of an undeclared conflict of interest affecting another trustee, they should notify the other trustees or the chair.

Trustees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated.

Where there is a serious conflict of interest the trustees must consider whether removing the conflict of interest is the most effective way of preventing it from affecting their decision making. Removing the conflict of interest may mean:

- not pursuing a proposed course of action
- proceeding with the issue in a different way so that a conflict of interest does not arise eg not considering a trustee to carry out services for FVH
- securing the resignation of a trustee affected by a conflict of interest or not making trustee appointments which will introduce a conflict of interest

If the trustees decide against removing the conflict of interest, they must consider how to make their decision only in the best interests of the charity.

Trustee benefit

Clause 7 of the FVH governing document provides that except with the prior written approval of the Charity Commission, no member of the management committee may:

- receive any benefit in money or in kind from the Charity other than in respect of insurance provided pursuant to Clause 3.10 and remuneration paid in accordance with Clause 3.11 or
- have a financial interest in the supply of goods or services to the Charity or
- acquire or hold any interest in property of the Charity (except in order to hold it as a trustee of the Charity).

If FVH is considering paying any remuneration to a trustee (including a connected person) it must follow the procedure and steps set out at Clause 3.11 of the FVH governing document.

Conflict of loyalty

Where there is a conflict of loyalty, the other trustees will decide what level of participation, if any, is acceptable on the part of the conflicted trustee. The options include deciding that the conflicted trustee:

- having declared the interest, can otherwise participate in the decision;
- can stay in the meetings where the decision is discussed and made but not participate;
- should withdraw from the decision making process.

The trustees may, before their discussion, ask a conflicted trustee who is withdrawing to provide any information necessary to help make a decision in the best interests of FVH.

Recording conflicts of interest

Upon appointment each Trustee will make a full, written disclosure of interests that could potentially result in a conflict of interest. This will be updated annually or as appropriate.

Where FVH trustees have an item to discuss that involves a conflict of interest, the minutes of meeting will record:

- the nature of the conflict and 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

Any trustee benefit (including benefit to connected persons) will be recorded in FVH's annual account.

Date agreed: 17 July 2023

Date for review: By July 2025