Conflict of Interest Policy

Widecombe Community Hall CIO (registered charity no. 1182621) • “the Charity”

Preliminary

Each and every charity trustee of the Charity is referred to in this policy as a “Trustee”. This policy applies to all Trustees and volunteers.

All Trustees and volunteers of the Charity must make every effort to avoid any conflict of interest between the interests of the Charity on the one hand, and personal, professional and business interests on the other. This includes avoiding an actual conflict of interest as well as any appearance of a conflict of interest.

The purpose of this policy is to protect the integrity of the Charity’s decision-making process, to enable outside parties to have confidence in the Charity’s integrity, and to protect the integrity and reputation of the Trustees, the volunteers and the Charity.

Legal Obligations

A Trustee has a personal legal obligation to act in the best interests of the Charity, in accordance with the Charity’s constitution, and to avoid situations where there may be a potential conflict of interest. Volunteers have similar obligations.

The Charity’s constitution includes the following provisions:

6. Benefits and payments to charity trustees and connected persons

(1) *General provisions*

No charity trustee or connected person may:

(a) *buy or receive any goods or services from the CIO on terms preferential to those applicable to members of the public;*

(b) *sell goods, services, or any interest in land to the CIO;*

(c) *be employed by, or receive any remuneration from, the CIO;*

(d) *receive any other financial benefit from the CIO;*

unless the payment or benefit is permitted by sub-clause (2) of this clause, or authorised by the court or the Charity Commission (“the Commission”). In this clause, a “financial benefit” means a benefit, direct or indirect, which is either money or has a monetary value.

(2) *Scope and powers permitting trustees’ or connected persons’ benefits*

(a) *A charity trustee or connected person may receive a benefit from the CIO as a beneficiary of the CIO provided that a majority of the charity trustees or their connected persons do not benefit in this way.*

(b) *A charity trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the CIO where that is permitted in accordance with, and subject to the conditions in, sections 185 to 188 of the Charities Act 2011.*

(c) *Subject to sub-clause (3) of this clause, a charity trustee or connected person may provide the CIO with goods that are not supplied in connection with services provided to the CIO by the charity trustee or connected person.*

(d) *A charity trustee or connected person may receive interest on money lent to the CIO at a reasonable and proper rate, which must be not more than the Bank of England bank rate (also known as the base rate).*

(e) *A charity trustee or connected person may receive rent for premises let by the trustee or connected person to the CIO. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must* *withdraw from any meeting at which such a proposal, or the rent or other terms of the lease, are under discussion.*

(f) *A charity trustee or connected person may take part in the normal trading and fundraising activities of the CIO on the same terms as members of the public.*

(3) *Payment for supply of goods only — controls*

The CIO and its charity trustees may only rely upon the authority provided by sub-clause (2)(c) of this clause if each of the following conditions is satisfied:

(a) *The amount or maximum amount of the payment for the goods is set out in a written agreement between the CIO and the charity trustee or connected person supplying the goods ("the supplier").*

(b) *The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.*

(c) *The other charity trustees are satisfied that it is in the best interests of the CIO to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.*

(d) *The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the CIO.*

(e) *The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.*

(f) *The reason for their decision is recorded by the charity trustees in the minute book.*

(g) *A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 6.*

(4) *In sub-clauses (2) and (3) of this clause:*

(a) *"the CIO" includes any company in which the CIO: (i) holds more than 50% of the shares; or (ii) controls more than 50% of the voting rights attached to the shares; or (iii) has the right to appoint one or more directors to the board of the company;*

(b) *"connected person" includes any person within the definition set out in clause 30 (interpretation).*

7. Conflicts of interest and conflicts of loyalty

A charity trustee must:

(1) *declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO, or in any transaction or arrangement entered into by the CIO, which has not previously been declared; and*

(2) *absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any personal interest (including but not limited to any financial interest).*

Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

20. Saving provisions

(1) *Subject to sub-clause (2) of this clause, all decisions of the charity trustees, or of a committee of charity trustees, shall be valid notwithstanding the participation in any vote of a charity trustee:*

(a) *who was disqualified from holding office;*

(b) *who had previously retired or who had been obliged by the constitution to vacate office;*

(c) who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if, without the vote of that charity trustee and that charity trustee being counted in the quorum, the decision has been made by a majority of the charity trustees at a quorate meeting.

(2) Sub-clause (1) of this clause does not permit a charity trustee to keep any benefit that may be conferred upon him or her by a resolution of the charity trustees or of a committee of charity trustees if, but for clause (1), the resolution would have been void, or if the charity trustee has not complied with clause 7 (Conflicts of interest).

Conflicts of Interest

A conflict of interest is any situation in which a Trustee's business or personal interests (or those of a person "connected to" a Trustee), or a loyalty owed to another organisation or person, may (or may appear to) influence or affect the Trustee's decision-making.

A person "connected to" a Trustee may be a relative (child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Trustee, or any person living with the Trustee as his/her partner), a business partner of the Trustee, or an institution controlled by either the Trustee or a person connected with the Trustee.

Examples of conflicts of interest include the case of a Trustee who:

- is also a beneficiary of the Charity, where a Trustee board meeting considers whether fees for service users (i.e. beneficiaries) should be increased;
- is related to a member of the Charity's staff, where a Trustee board meeting considers staff pay and/or conditions;
- is also a trustee, director or member of the management committee of another organisation that is competing for the same funding as the Charity;
- has shares in a business that may be awarded a contract to do work or provide services for the Charity, or is a director, partner or employee of such a business, or is related to someone who has shares in, or is a director, partner or employee of, such a business.

Declaring Conflicts of Interest

A Trustee has a personal responsibility to declare conflicts of interest if he/she is to fulfil the legal duty to act only in the best interests of the Charity. A Trustee should be meticulous about declaring any actual or potential conflict of interest affecting him/herself and connected parties, and should declare the nature and extent of any interest, whether direct or indirect.

Upon appointment, each Trustee must make a full, written disclosure of interests — such as business or personal relationships, posts held, or financial or property interests — that could potentially result in a conflict of interest. This written disclosure will be kept on file and updated at least annually, and whenever any material changes occur.

Each Trustee must also declare any gifts or hospitality offered and received in connection with their role in the Charity that could potentially result in a conflict of interest.

At the beginning of, and during the course of, any meeting of Trustees, a Trustee must declare any interest in a transaction or decision where there may be a conflict between the Charity's best interests and the Trustee's best interests, or between the best interests of the Charity and another organisation that the Trustee is involved with. If in doubt, the potential conflict must be declared anyway and clarification sought.

If a Trustee has any uncertainty as to whether he/she has an interest which should be declared, he/she should refer that question to the Chair of Trustees for a decision.

Dealing with Conflicts of Interest

If a Trustee believes that he/she has a real conflict of interest, or that it might appear that he/she has one, he/she should declare the interest at the earliest opportunity and withdraw from any discussions, decisions or votes relating to the matter. He/she will not be counted as part of the quorum for the part of the meeting that deals with that matter.

Where a conflict of interest arises for a Trustee because he/she owes a duty of loyalty to another organisation or person, and the conflict is not authorised by any provision in the Charity's constitution, the unconflicted Trustees may authorise such a conflict of interest where the following conditions apply:

- the Trustees seek permission from the Charity Commission before authorising a benefit for a Trustee that is not authorised in the Charity's constitution or already authorised in writing by the Commission;
- the Trustee who has declared the conflict withdraws from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
- the Trustee who has the conflict does not vote on any such matter and is not counted when considering whether a quorum is present;
- the other Trustees, who have no conflict of interest in the matter, consider it to be in the interests of the Charity to authorise the conflict in the circumstances;
- any such disclosed conflict, and the subsequent discussions, actions and decisions, are noted in the minutes.

For all other potential conflicts of interest, the Trustees will ask the Charity Commission to advise, and that advice will be recorded in the minutes. The Trustees will record in writing all steps taken to implement that advice.

Benefits

It is essential that a Trustee does not derive any benefit from any transaction to which the Charity is a party unless and until he/she has obtained, beforehand, explicit legal authority to do so. That legal authority may come from a clause in the Charity's constitution, a statutory provision, the Charity Commission or the court.

Data Protection

The information provided in declarations of interest will be processed in accordance with the Data Protection Legislation. The "Data Protection Legislation" means the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, as amended or superseded by other legislation of the United Kingdom from time to time. Data will be processed only to ensure that Trustees act in the best interests of the Charity, and will not be used for any other purpose.

General

This policy is meant to supplement good judgement. Trustees, staff and volunteers should respect its spirit as well as its wording.

The Trustees will take steps to bring this policy to the attention of all volunteers, and will monitor and enforce it, revising it from time to time as appropriate.

Adopted on 20 June 2022 • Last reviewed July 2026 • Version 2.0