



Naphill Village Hall & Playing Fields Council

Trustee Decision Making Protocol

1.0 Purpose

1.1 To specifically define the decision-making powers and processes to be applied by Trustees of Naphill Village Hall and Playing Fields Council.

2.0 Scope

2.1 This protocol applies when Trustees are making significant or strategic decisions, such as those affecting the charity's beneficiaries, assets or future direction. It does not include decisions taken under delegated authority levels that have already been agreed in our Financial Regulations.

3.0 Principles

3.1 We are legally obliged due to our position as Trustees to follow the principles below when making decisions:

- To act within our powers as defined in our Scheme (Constitution)
- To act in good faith, and only in the interests of the charity
- To make to evidence-based decisions
- To take account of all relevant factors
- To ignore any irrelevant factors
- To manage conflicts of interest
- To make decisions that are within the range of decisions that a reasonable trustee body could make
- To be transparent. The minutes, which are a permanent record of decisions, need to be sufficiently detailed to allow someone to understand the issues, the decision and the reasons for it.

3.2 Failure to comply with these principles risks no support from the Charity Commission, negates our Trustee insurance and risks each Trustee being held personally liable.

4.0 Acting Within Our Powers

4.1 We must only make decisions that are consistent with our charity's objectives and the powers defined in our Scheme (Constitution). To deliberately misuse a power to influence an outcome would be a breach of our duty to act in good faith.

4.2 We must ensure that new Trustees are properly appointed in accordance with the Scheme and are able to act in accordance with it.

5.0 Acting in Good Faith

5.1 We should follow the Nolan Seven Principles of good governance, that is, selflessness, integrity, objectivity, accountability, openness, honesty and leadership in the interest of the charity. Failure to do this by a Trustee or Trustees risks

- not being entitled to reclaim any associated expenses incurred
- the decision could be challenged in law
- the Charity Commission might need to become involved
- the Trustee(s) might have to repay the charity for any losses they caused

6.0 Decision making evidence

6.1 We need to demonstrate that our decisions are based on sufficient and appropriate evidence. This includes the need to get advice from a suitably qualified person where there is:

- Significant cost or value involved
- The issue is complex
- The issue is controversial
- The decision impacts many people

6.2 We need to manage risks using a risk assessment process to keep all Trustees informed of the possible issues facing the charity.

6.3 We should consult with our community (our stakeholders) about important decisions that will affect them. Such consultation will demonstrate openness and transparency and help us make more informed decisions.

6.4. Ultimately, we remain responsible for the final decision. Meeting minutes provide the evidence trail that we consulted and we sought advice.

7.0 Taking Account of All Relevant Factors

7.1 There may be a variety of factors to consider depending upon the circumstances. Examples of questions for trustees to ask themselves in decision making is attached as an appendix.

8.0 Identify Irrelevant Factors

8.1 It is a legal requirement that Trustees need to decide what is relevant or irrelevant to the decision.

9.0 Managing Conflicts of Interest

9.1 As a Trustee, you have a legal duty to declare a conflict of interest immediately you are aware of any possibility that your personal or wider interests could influence your decision-making.

9.2 All Trustees are asked to sign a Conflict-of-Interest Form where they declare any general interests that they may have (for example owning a property bordering The Crick).

9.3 At the start of each meeting a trustee should declare a conflict of interest on any agenda item which will be recorded in the minutes. If during the course of the meeting a trustee realises they have a conflict of interests it must be declared and recorded at that time.

9.4 If a conflict of interest has been declared the trustee may not take part in a vote (but can still express their views and still retains collective responsibility for upholding the majority decision).

10.0 Make Decisions Within the Scope that Trustees Can Reasonable Make

10.1 It is for us as Trustees to decide which option is in the best interests of our charity. Neither the courts nor the Charity Commission cannot judge whether the trustees' decision was 'right', or the 'best decision'. They can only consider whether the decision was within the 'range of decisions' that a reasonable trustee body could have made, and whether the trustees have followed proper processes and the principles in this guidance.

11.0 Reviewing a Decision Taken

11.1 A request for a decision that has already been made to be reviewed must be made in writing by a Trustee to the Chair giving reasons for the request. The reason will normally be either that the correct process was not followed, insufficient information was provided at the time the decision was made or new information has come to light subsequent to the decision being made. Disagreement with the decision made or was not present at the time is not a valid reason.

11.2 The Chair will review the request and decide whether it should be added to the next agenda for a vote.

11.3 Exactly the same process and vote must be applied to reviewing a decision as to the original decision.

12.0 Delegated Decision Making

12.1 Whilst we operate collectively, there are some situations where decisions need to be delegated.

12.2 In our Financial Regulations we have delegated certain financial limits. A formal process of voting is not required in these situations and such expenditure is declared in the monthly Treasurer's report so that all Trustees can see it.

12.3 All Trustees have delegated authority to spend up to a defined amount in an emergency. An emergency is defined as an event that puts either people or premises at risk and requires an immediate response to prevent a situation deteriorating. Where this power is exercised the Treasurer needs to be told at the earliest opportunity.

12.4 The Chair (or Vice Chair in their absence) and one other Trustee acting together have delegated authority to spend up to a higher defined amount in an emergency using the same definition of emergency as above in that a decision is required immediately to protect people or premises.

12.5 In all other circumstances, for example where a decision must be obtained before the next meeting, the Chair or Treasurer should establish, and be able to prove that they have obtained a majority view from Trustees, including conflicts of interest, by telephone or email before proceeding with any instructions that could be held to be legally binding. Decisions made in this way should still be put in front of the next meeting with a request to ratify the decision.

12.6 The following are specifically excluded from any delegated authority whatsoever:

- Agreement to any contracts of any type
- Agreement to changes to our Scheme (Constitution)

Approval

This policy has been approved by the Council at its meeting on 13th May 2024

Date for next review: May 2026

APPENDIX 1

More information can be found on the government's Charity Commission website

'Guidance. It's your decision: charity trustees and decision making (updated June 2023)'

A Summary of Points to consider when making decisions

- Is the proposed decision in the best interests of the charity?
- If the proposed decision affects the charity's activities, is it consistent with the charity's objects?
- Is the decision in the community's benefit?
- Do we have all the powers we need to make and then carry out the decision? Are there any alternatives to consider?
- Do we have sufficient professional or specialist advice to enable us to make an informed decision? If we propose not to follow this advice, why is it in the best interests of the charity not to do so?
- What are the risks/benefits of the proposed decision?
- How could this affect our reputation? Are there any steps we should take to manage or mitigate reputational risks?
- Will the decision affect the future ability of the charity to further its purpose effectively? If it will have a negative impact, can it still be clearly justified as being in the charity's interests?
- Do we have sufficient funds to carry through the decision and continue past implementation?
- If we have consulted our stakeholders, what have we learned from that consultation? How much weight should we give to stakeholders' views?
- If we commit to the proposed decision, will there be any opportunity to withdraw at a later stage without incurring costs or penalties which may be unaffordable?
- have we given enough time and consideration to the decision?
- have we considered all aspects of our decision?
- have we taken and considered professional or other specialist advice and read any relevant guidance - if not can this be justified?
- is this the kind of decision the charity's beneficiaries or supporters would expect the us to make (and if not, how much weight should we give to these views) - can we justify the decision in the circumstances?
- could this decision appear inconsistent with decisions we have made in the past, and if so, can the difference in approach be explained
- what grounds could anyone have for saying the we have acted unreasonably