

## **Royal Albert Hall Conflicts of interest Policy**

### **Background and purpose**

1. The Corporation of the Hall of Arts and Sciences (in this document referred to as the 'Hall') was incorporated by Royal Charter in 1866. The constitution of the Hall and its governing documents, (compiled into 'the Blue Book' and including the Royal Charter of 1866; Supplemental Charters of 1887 and 1928; and the Royal Albert Hall Acts 1876 to 1966), have not substantially changed since 1966. The Hall was registered as a charity in December 1967.
2. The purpose of this policy is:
  - to protect and promote the integrity of the decision making process;
  - to protect and promote the integrity of the Hall and its decision makers; and
  - to protect and promote public confidence in the governance of the Hall.

### **Scope**

3. This policy applies to:
  - 3.1. Trustees;
  - 3.2. members of committees of Council; and
  - 3.3. Directors of the Hall's subsidiary companies.

There will be a separate policy for employees of the Hall.

4. This policy is supplemental to and should be read in conjunction with the constitution of the Hall. Where there is any conflict between this policy and the constitution, the constitution shall prevail. The constitution does not explicitly refer to conflicts of interest, but charity law requires the Trustee to identify and properly address any which arise. This policy sets out how the Trustees will do that in practice.
5. This policy is intended to supplement good judgement, and those to whom this policy applies should respect its spirit as well as its wording. It is a working, not a constitutional, document.
6. All references to the Hall in this policy include where the context permits any company in which the Hall holds more than 50% of the shares, controls more than 50% of the voting rights connected to the shares or has the right to appoint one or more directors to that company's board.

### **Duties of the Secretary**

7. The Secretary shall include advice on this policy as part of the induction process that is carried out before or within one month of appointment for all of those to whom this policy applies. The Secretary shall make this policy available to:
  - 7.1. members of the Hall;
  - 7.2. employees of the Hall; and
  - 7.3. any others as directed by the Trustees, and
  - 7.4. others at his/her discretion.

## Identifying a conflict

8. A conflict of interest includes any situation in which your personal interests or loyalties could, or could be seen to, prevent you from making a decision only in the best interests of the Hall (or, in the case of a director of a subsidiary company, in the best interests of that company). Conflicts of interest may be financial or not, and direct or indirect. An indirect interest is a connected person's interest, a grouping that includes your family, and businesses owned or influenced by you or a member or members of your family. Interests owed to another body, which may cause conflicts of loyalty, include competing legal obligations or duties to another organisation or person (as would arise, for example, in the case of a trustee of two charities bidding for the same contract).
9. An affirmative to any of the questions below may indicate a conflict:
- Could your interest in a matter under discussion inhibit debate?
  - Could it distort the decision to the detriment of the charity?
  - Could it create the reasonable perception of inhibition, distortion or impropriety?
  - Would it be likely to divert financial or other resources away from the Hall?
10. In seeking to identify a conflict of interest you should take into account your personal circumstances in any areas that you consider of relevance, including, but not limited to, the list below (a to o).

### Collective Conflicts

- a) You hold a seat in the Hall
- b) You are entitled as a seat-holder to exercise the rights of a member of the Hall
- c) You sell or give away tickets for your seat in the Hall
- d) You sell, purchase or otherwise deal with a seat in the Hall
- e) Any of the circumstances in (a) to (d) above applies to a person connected to you

### Individual Conflicts

- f) Posts held in the course of your employment or practice, including partnerships and directorships
- g) Any contract for goods, services or works between the Hall and you
- h) Any office held by you in a public or professional body
- i) Your trusteeship of a registered or unregistered charity
- j) Any position held by you in an organisation which might be affected by decisions taken by the Hall
- k) Any position held by you in an organisation whose decisions may significantly affect the Hall
- l) Your membership of a body whose purposes include influencing public opinion or policy in areas relevant to the Hall's work
- m) Any financial interest you have which is relevant to any areas of the Hall's work
- n) Your membership of, or clear public association with, a private society, club, or other organisation (other than a religious body) whose activities are likely to be relevant to the activities of the Hall
- o) Any of the circumstances in (f) to (n) above applies to a person connected to you.

## Declaration of Conflicts

11. You are deemed to have declared any Collective Conflicts that apply to you. If you are an Appointed Trustee, you are deemed to have declared your connection with the

organisation that appointed you whether as an Individual Conflict or a Collective Conflict.

12. Subject to paragraph 11, you have a personal responsibility to declare the nature and extent of any conflict of interest, direct or indirect, which you have not previously declared. Where appropriate, you may refer to previous declarations to avoid repeating details
13. Subject to paragraph 11, at the start of all Trustee, committee and subsidiary company board meetings to which you have been invited, or in advance to the Secretary, you must declare any interests that you have in relation to any agenda item. You should also make a declaration of any conflicts as and when they arise in the course of meetings.
14. Additionally, if you are a Trustee you should review your interests annually, declaring any identified conflicts in writing to the Secretary in advance of the formal Trustee meeting preceding the AGM. The declarations will be circulated to all Trustees at the subsequent Trustee meeting. When changing circumstances create new conflicts, you should notify the Secretary as soon as reasonably practicable and in any event before the next Trustee, committee or subsidiary company board meeting.
15. If you are aware of an undeclared conflict arising in relation to an agenda item for another attendee of the meeting you should raise it at the meeting or with the Secretary.

#### **After Declaration of an Individual Conflict**

16. If you declare, or are deemed to have declared, an Individual Conflict in accordance with this policy then you may choose to withdraw from the meeting for the relevant agenda item. If you are the chair, the meeting must appoint a replacement chair for the purposes of dealing with the potential conflict, and you may not participate in the election of that chair. When deciding how to manage the conflict, the chair may ask you questions about the nature or extent of your conflict, request that you (and any other conflicted attendees) leave the meeting, discuss the matter with the remaining attendees and if required put the matter to a vote by the remaining attendees. Likely outcomes are set out below for guidance but these are not exhaustive:
  - a) The chair or the meeting may decide that there is no material conflict or reasonable possibility of a perception of a conflict and continue as before.
  - b) The meeting may decide that there is a conflict but it is not capable of influencing or being seen to influence your decision making, in which case the detailed justification for that conclusion shall be fully minuted and for the part of the meeting dealing with the relevant business you may be invited to fully participate, to contribute to the debate but not vote or to attend as an observer only.
  - c) The meeting may decide that there is a material conflict in which case the relevant business can only proceed if:
    - (1) you are absent from the part of the meeting at which there is discussion of that business; and
    - (2) you do not vote on any resolution arising from such business, and are not counted when considering whether a quorum is present at that part of the meeting.

Failure to comply with the chair's ruling may lead to sanctions under the constitution or in extremis reference to the Charity Commission who have the power to remove Trustees.

## **After Declaration of a Collective Conflict**

17. The Hall's constitution requires elected Trustees to be seatholders. Two of the Appointed Trustees are appointed by organisations which are currently seatholders. This requirement creates an innate conflict of interests on all issues relating to (but not restricted to) seatholding. These are the Collective Conflicts, which are common to all but three Trustees. The Hall's constitution implicitly authorises and requires the Trustees to manage these conflicts.
18. The chairman of a meeting shall periodically remind you of the importance of recognising a Collective Conflict and taking particular care when one exists. If you have a Collective Conflict you may take part in both discussions and decisions but in doing so you are obliged to subordinate your private interests to those of the charity. Where such a Collective Conflict exists you must always:
- a) act in the best interests of the Hall;
  - b) protect the charity's reputation and be aware of the impression that your actions and decisions may have on those outside the Hall; and
  - c) be able to demonstrate that you have made decisions in the best interests of the Hall and independently of any competing interest.
19. a) Where a Designated Collective Conflict exists in relation to an issue that requires a decision to be taken, the deciding body (i.e. Council, committee or directors of a subsidiary company) shall, after discussing the issue but before taking the decision, refer its 'minded to' decision to the Conflicts of Interest Committee.
- b) The Conflicts of Interest Committee shall review whether the 'minded to' decision might not be in the best interests of the Hall by virtue of the Designated Collective Conflict.
- c) The deciding body shall provide the Conflicts of Interest Committee with such information as it requires in order to consider the matter, including the reasons for the 'minded to' decision.
- d) If the Conflicts of Interest Committee concludes that the 'minded to' decision may or would not be in the best interests of the Hall by virtue of the Designated Collective Conflict, it may recommend an alternative or further course of action (such as a different decision or a reconsideration of the 'minded to' decision) and the deciding body shall take into account such advice before taking a final decision on the matter.

## **Trustee Benefits**

20. If you are a Trustee, you and your Connected Persons may not:
- a) buy any goods or services from the Hall on terms preferential to those applicable to members of the public;
  - b) sell goods, services, or any interest in land to the Hall;
  - c) be employed by, or receive any remuneration from the Hall;
  - d) receive any other financial benefit from the Hall;
- unless the payment is permitted by paragraph 21. In this paragraph a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value, but excludes payment of out of pocket expenses to Trustees.
21. You may receive a Trustee benefit as defined in paragraph 20 if it is:
- a) authorised by the Hall's constitution;
  - b) authorised by the discounted catering policy and consists of the provision of catering at cost price or higher;

- c) authorised by the policy on the use of the Council Box, setting out the procedure for access to the Box, number of tickets, deadline for release to the Box Office and any restrictions;
- d) made available to all members of the Hall on the same terms, is connected to their seatholding rights and is offered to members for the purpose of benefitting the Hall, including but not limited to use of the ticket return scheme;
- e) authorised by statute; or
- f) authorised by the court or the Charity Commission.

## **Record keeping**

- 22. Discussions and decisions relating to a conflict of interest will be recorded in the Trustee, committee or subsidiary company board meeting's minutes and will include a record of who and when anybody withdrew from or rejoined the meeting. If approved by the Chairman, the matter may be recorded as confidential (for example, if you are placed in a difficult position of being privy to commercially sensitive information).
- 23. All declarations, discussions and minutes will be available to the Hall's auditors.
- 24. A detailed Register of Interests for Trustees, committee members and subsidiary company directors will be maintained by the Secretary, to include any declarations of conflicts of interest, when first declared. These records will be retained in line with Data Protection requirements from time to time.

## **Sanctions**

- 25. If a majority of Council find that a Trustee has allowed their personal interests to influence their decisions to the detriment of the charity, or that they have acted egregiously in other ways, for example the deliberate concealment of a material conflict, then Council should look to remove him or her from Council. If the Trustee refuses to step down, the 1966 Act provides a mechanism for the members of the Hall to remove any Trustee.<sup>1</sup> Failing all else, the matter may be referred to the Charity Commission which, in certain exceptional circumstances, has the power to remove Trustees.

## **Conflicts of Interest Committee**

- 26. Council will establish a Conflicts of Interest Committee to oversee this policy and the issues that surround it. Ultimate responsibility, however, always resides with Trustees. The Committee's remit will be to:
  - Consider and respond to any "minded to" decision referred to it under paragraph 19 above;
  - At the request of the President, advise individual Trustees, the Council, all committees, the boards of subsidiary companies, and, where appropriate, staff;
  - Monitor, at intervals agreed by the President, the implementation of this policy;
  - Recommend, in accordance with the terms laid down in the document that set up the Conflicts of Interest Committee, appropriate systems for promoting and monitoring compliance with this policy;
  - Review annual and other declarations of interest, and alert the Secretary where further clarification or action may be required;
  - Brief the Council or the President on any difficult individual cases referred to it;

---

<sup>1</sup> 1966 Act, Schedule 2, paragraph 9.

- Report to the Hall's auditors annually on the operation of the Committee and policy over the year;
  - Review this policy in light of suitability and best practice guidance issued by outside bodies regularly, no more than biennially, but not less than once every three years; and
  - In relation to this policy, and as guided by the President and the Governance and Nominations Committee, perform any actions authorised by Council as may be required from time to time.
27. a) The Conflicts of Interest Committee shall comprise:
- (1) one seat-holding Trustee; and
  - (2) three non-conflicted members, which could include at least one completely independent person.
- b) Each member of the committee shall be appointed by the President and shall hold office for such period and upon such other terms as the President may determine.
- c) The quorum for the committee shall be four. [*Secretary's note: temporarily amended to three by Council at its July 2015 meeting*].
- d) The seat-holding Trustee shall be chair of the Committee, but shall not have a vote. Each of the other committee members shall have one vote.
- e) Where a committee member is unable to attend a committee meeting the President may appoint a temporary alternative to attend, count towards the quorum and vote in their place (or to attend, count towards the quorum and chair in the case of the seat-holding Trustee). Any such alternative must satisfy the eligibility criteria set out in paragraph 27(a) above which applied to the committee member that they are temporarily replacing.

## Definitions

28. In this policy, unless the context requires otherwise:

**"Appointed Trustee"** means an appointed member of Council as that term is used in the constitution of the Hall;

**"Collective Conflict"** means a conflict of interest that falls within sub-paragraphs 10(a) to 10(e);

**"Connected Person"** or **"person connected to you"** means

- a) your child, parent, grandchild, grandparent, brother or sister;
- b) the spouse or civil partner of you or of any person falling within sub-paragraph (a) above;
- c) a person carrying on business in partnership with you or with any person falling within sub-paragraph (a) or (b) above;
- d) an institution which is controlled –
  - (1) by you or any connected person falling within sub-paragraph (a), (b), or (c) above; or
  - (2) by two or more persons falling within sub-paragraph (d)(1), when taken together
- e) a body corporate in which –
  - (1) you or any connected person falling within sub-paragraphs (a) to (c) has a substantial interest; or
  - (2) two or more persons falling within sub-paragraph (e)(1) who, when taken together, have a substantial interest.

- (3) Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this definition;

**“Designated Collective Conflict”** means a Collective Conflict relating to:

- a) the seat rate;
- b) any proposed change to the Hall’s event programming policy;
- c) the amount of the rebate for exclusives; or
- d) any proposed change to the costs of any discounts or services provided to seat-holders.

**“Hall”** means The Corporation of the Hall of Arts and Sciences as defined in paragraph 1;

**“Individual Conflict”** means a conflict of interest that falls within sub-paragraphs 10(f) to 10(o) and which is not a Collective Conflict;

**“Secretary”** means the secretary to the Hall; and

**“Trustee”** means member of the Council of the Hall.

**Adopted by Council on 26<sup>th</sup> February 2015**