

Please provide the change to the charity's benefit clause.

21. (a) In furtherance of the Objects the Charity may provide benefits to the Trustee where those benefits are the same as or similar to benefits provided to other beneficiaries of the Charity.

(b) The Trustee may not receive any payment or other financial benefit (whether direct or indirect and whether in money or money's worth) from the Charity, including by way of remuneration, the supply of goods or services, or any interest in land, nor may they receive goods or services from the Charity on terms more favourable than those available to members of the public, unless such benefit is:

(i) expressly authorised by Clause 4 of this Scheme;

(ii) permitted by law; or

(iii) authorised by the court or the Charity Commission.

How will you manage conflicts of interests?

This response should be read in conjunction with the explanation below regarding the background to the proposed changes, which provides relevant context on the Charity's anticipated governance arrangements. It should also be read in conjunction with the application for consent to change the Charity's objects, which has been submitted in parallel with this application.

Oakham Town Council, acting as sole corporate trustee, recognises that conflicts of interest may arise as a result of its dual role both as trustee of the charity and as a local authority which may interact with the charity (including as a user of the charity's facilities or as a contractual counterparty). The Council is aware of its duties when acting as charity trustee and will ensure that all decisions relating to the charity are taken solely in the best interests of the charity and in furtherance of its objects.

The Council will manage conflicts of interest in accordance with charity law and relevant Charity Commission guidance, including the Commission's guidance for local authorities acting as trustees (OG 56), as well as the guidance on identifying and managing conflicts of interest (CC29), and will continue to observe this guidance when relevant matters arise.

In particular, the Council will adopt the following measures:

- **Identification and recording of conflicts**
Conflicts of interest will be identified at an early stage and formally recorded as part of the decision-making process. The nature and extent of any conflict will be clearly documented.
- **Separation of roles**
The Council will maintain a clear distinction between its role as charity trustee and its wider role as a local authority. Decisions relating to the charity will be taken by the Council expressly acting in its capacity as trustee, and not in pursuit of its wider local authority functions.
- **Proper decision-making and best interests duty**
The Council will establish and observe a clear and robust decision-making process, ensuring that the charity's interests are considered first in all relevant decisions. Where a conflict arises, the Council will ensure that it is able to demonstrate that any decision taken is in the best interests of the charity, and that the conflict has been

properly identified and addressed. The reasoning behind decisions will be fully recorded.

- **Arm's length terms**

Where the Council enters into arrangements with the charity, the terms of those arrangements will be fair and reasonable to the charity and no less favourable than those which could reasonably be obtained from an unconnected third party.

- **Independent advice and scrutiny**

Where appropriate, particularly in cases involving material or higher-risk conflicts (for example, property or financial arrangements), the Council will seek independent professional advice (including legal or valuation advice) to support its decision-making.

- **Training and awareness**

The Council will seek training from its legal advisers, who specialise in charity law, on conflicts of interest and how these should be properly managed. This will support ongoing compliance and ensure that relevant officers and members understand their responsibilities when acting as trustee.

- **Compliance with trustee benefit and statutory requirements**

Any benefit to the Council will be limited to those permitted under the governing document and charity law. The Council recognises that, where a proposed arrangement gives rise to a conflict which cannot be properly managed within existing powers, it may be necessary to apply to the Charity Commission for authority under section 105 of the Charities Act 2011, and will do so where required.

- **Transparency and audit trail**

The Council will ensure that a clear audit trail is maintained in relation to any decisions involving conflicts of interest, including the identification of the conflict, the steps taken to manage it, and the basis on which the decision is considered to be in the best interests of the charity.

These measures will ensure that conflicts of interest are managed in a structured, transparent and proportionate way, appropriate to the Council's role as sole corporate trustee, while safeguarding the charity's assets and ensuring that its activities continue to deliver public benefit.

Why is this change needed?

The proposed change to the trustee benefit clause forms part of a wider programme of governance modernisation to help ensure the Charity can operate sustainably in the long term.

The Charity operates a long-established community asset whose use and role within the local area have evolved significantly over time. Over recent years, the Charity has experienced increasing pressures in relation to governance capacity and the practical demands associated with the stewardship of a significant community asset. In particular, the existing trustee body has faced challenges in maintaining sufficient capacity to support the Charity's ongoing management and long-term planning, including difficulties in recruiting and retaining new trustees.

These factors have highlighted the importance of ensuring that the Charity's governance framework is clear, robust and capable of supporting the sustainable operation of Victoria Hall going forward.

As part of this programme of governance reform, Oakham Town Council has indicated a clear willingness to support the long-term preservation and revitalisation of the Hall as a key community asset, including through financial investment, operational support and a more active governance role. The trustees have decided that it is in the Charity's best interests for Oakham Town Council to be appointed as the sole trustee (the "Trustee") of the Charity going forward. However, in order to facilitate this involvement it is necessary to ensure that the Charity's governing document contains provisions that properly reflect the practical realities of that relationship.

While the existing governing document has provided a longstanding framework for the Charity, certain provisions (including those relating to trustee benefit) are historic in nature and do not fully reflect modern expectations around charity governance, transparency and the management of conflicts of interest. In particular, the existing wording does not clearly articulate the distinction between permitted incidental benefits arising in the course of delivering the Charity's objects, and prohibited private or preferential benefit.

In practice, the Trustee may from time to time access or use the Charity's facilities or services in a manner comparable to other beneficiaries. It is therefore appropriate to make clear that such incidental benefits are permitted, provided they are no more favourable than those available to the wider beneficiary class.

At the same time, it is important that the governing document contains appropriate safeguards to ensure compliance with charity law. The proposed wording makes clear that the Trustee:

- must not receive any payment or other financial benefit from the Charity (whether directly or indirectly), including by way of remuneration, goods, services or interests in land; and
- must not receive goods or services on preferential terms,

unless such benefit is expressly authorised by the governing document, permitted by law, or authorised by the court or the Charity Commission.

Overall, the change is intended to create a clear, balanced and legally compliant trustee benefit provision, supporting transparency and good governance while enabling the Charity to operate practically and effectively for the public benefit. The trustees consider that updating this provision will provide greater clarity and transparency, ensuring that the governing document supports appropriate and compliant decision-making in practice.

How are the trustees satisfied that the change is in the best interests of the charity?

The trustees are satisfied that the proposed amendment is in the best interests of the Charity as it introduces a clear, proportionate and legally compliant framework for trustee benefits, which will support good governance and reduce the risk of uncertainty or inadvertent breach of duty.

The trustees consider that, in light of the Council's willingness to provide ongoing support and stewardship, such an arrangement would place the Charity on a more stable and sustainable footing and enable it to continue to operate for the public benefit in the long

term. The proposed amendment is an important part of ensuring that the governing document is fit for purpose in that context.

In reaching this view, the trustees have taken into account the Charity's current and anticipated operational context. The amendment provides appropriate clarity on the matter of trustee benefits, thereby ensuring the Charity can operate practically.

At the same time, the trustees consider it essential that the governing document contains robust safeguards to prevent improper private benefit. The proposed wording expressly prohibits the Trustee from receiving any payment or other financial benefit, whether directly or indirectly, including through the supply of goods or services or any interest in land, unless such benefit is properly authorised by the governing document, permitted by law, or approved by the court or the Charity Commission. The trustees are satisfied that this strikes an appropriate balance between operational flexibility and the need to protect the Charity's assets.

The trustees have also had regard to the Charity Commission's expectations regarding conflicts of interest and trustee benefit. In particular, they consider that the amended provision:

- clearly distinguishes between permitted incidental benefit and prohibited private or preferential benefit;
- reinforces the principle that any benefit to the Trustee must be justified and appropriately authorised; and
- supports transparency and accountability in decision-making.

The trustees further consider that the amendment will assist in ensuring that any future interactions between the Trustee and the Charity are conducted on a clear and compliant basis, thereby reducing legal and governance risk and supporting the Charity's long-term sustainability.

For these reasons, the trustees are satisfied that the proposed change is in the best interests of the Charity and will enable it to deliver its objects more effectively for the public benefit.